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THE LUMBER INDUSTRY

EALIZING the importance of the papers presented at the Ninth Annual Convention of the National Lumber Manufacturers' Association, the Board of Governors ordered that the full proceedings of the convention be printed in book form for distribution to libraries in the United States, to public officials having to do with forestry matters, and to such others as might apply for copies This volume is the fulfillment of those instructions and is sent to you with the compliments of the National Lumber Manufacturers' Association, in the hope that it will be read and preserved because of the able presentation therein of many subjects of importance to the public welfare as well as to the lumber industry itself.

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NATIONAL PROBLEMS
AFFECTING
THE LUMBER INDUSTRY

Workmen's Compensation
Applied Principles of Efficiency
The Panama Canal
Popular Ignorance
Currency Reform
Practical Forestry

OFFICIAL REPORT
NINTH ANNUAL CONVENTION
NATIONAL LUMBER MANUFACTURERS' ASSOCIATION
Held in CHICAGO, ILLINOIS
May Twenty-four and Twenty-five
Nineteen Hundred and Eleven

CHICAGO :: :: NINETEEN ELEVEN

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PUBLISHED *by* AUTHORITY
of the NATIONAL LUMBER
MANUFACTURERS' ASSO-
CIATION

By LEONARD BRONSON, *Mgr.*
FIDELITY TRUST BUILDING
TACOMA, WASH.

Φ

PRICE ONE DOLLAR

Φ

GEORGE W. BURGOYNE
OFFICIAL STENOGRAPHER

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PURPOSES OF THE NATIONAL LUMBER MANUFACTURERS' ASSOCIATION

(Excerpt from the Constitution)

FIRST—To promote uniformity in the methods of manufacture and sale of lumber.

SECOND—To unify as far as possible conflicting interests and eliminate those elements of friction that have so long served as a barrier to the elevation of the trade to that high plane of dignity and usefulness to which its importance entitles it.

THIRD—To gather and disseminate reliable statistics showing the annual production and consumption of the various kinds of lumber manufactured in this country, cooperating with and aiding other assocations along this line.

FOURTH—To gather, compile and distribute information as to general trade conditions in lumber and kindred interests throughout the country.

FIFTH—To take up for discussion and action any and all questions of mutual interest that are National in their character and application, leaving to the territorial associations for final adjudication those matters and questions peculiar to their respective localities.

SIXTH—To strengthen the bonds of fellowship and inculcate more friendly relations among those engaged in the same calling and occupation, whose interests are common and lie almost along parallel lines, and for the uplifting of our industry to which many of the manufacturers are giving the best efforts of their lives.

NATIONAL LUMBER MANUFACTURERS' ASSOCIATION
1910

Affiliated Associations

Northern Pine Manufacturers' Association.
Northern Hemlock & Hardwood Manufacturers' Association.
Michigan Hardwood Manufacturers' Association.
Hardwood Manufacturers' Association of the United States.
North Carolina Pine Association (Inc.).
Georgia-Florida Saw Mill Association (Inc.).
Yellow Pine Manufacturers' Association.
Southern Cypress Manufacturers' Association.
Western Pine Manufacturers' Association.
Pacific Coast Lumber Manufacturers' Association.
The Oregon & Washington Lumber Manufacturers' Association.
Southwestern Washington Lumber Manufacturers' Association.
Redwood Manufacturers' Association.

Officers

President.....Edward Hines, Chicago, Ill.
Vice-President.....E. G. Griggs, Tacoma, Wash.
Vice-President.....William B. Stillwell, Savannah, Ga.
Vice-President.....R. H. Downman, New Orleans, La.
Vice-President.....R. H. Vansant, Ashland, Ky.
Treasurer.....J. A. Freeman, St. Louis, Mo.
Manager.....Leonard Bronson, Chicago, Ill.
Secretary.....George K. Smith, St. Louis, Mo.

Board of Governors

William Irvine.....Chippewa Falls, Wis.
W. C. Landon.....Wausau, Wis.
C. A. Bigelow.....Bay City, Mich.
R. M. Carrier.....Sardis, Miss.
E. C. Fosburgh.....Norfolk, Va.
F. E. Waymer.....Pauway, Fla.
J. B. White.....Kansas City, Mo.
A. T. Gerrans.....Houma, La.
William Deary.....Potlatch, Ida.
J. H. Bloedel.....Bellingham, Wash.
L. J. Wentworth.....Portland, Ore.
W. C. Miles.....Globe, Wash.
D. E. Skinner.....San Francisco, Cal.
R. A. Long (*ex-officio*).....Kansas City, Mo.

NATIONAL LUMBER MANUFACTURERS' ASSOCIATION

1911

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Southern Cypress Manufacturers' Association.
Western Pine Manufacturers' Association.
Pacific Coast Lumber Manufacturers' Association.
Southwestern Washington Lumber Manufacturers' Assn.
Redwood Manufacturers' Association.
Pacific Coast Sugar & White Pine Manufacturers' Assn.

Officers

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First Vice-President.....R. H. Vansant, Ashland, Ky.
Second Vice-President.....J. B. Conrad, Glenwood, Fla.
Third Vice-President.....R. H. Downman, New Orleans, La.
Treasurer.....J. A. Freeman, Tacoma, Wash.
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J. B. White.....Kansas City, Mo.
A. T. Gerrans.....Houma, La.
J. P. McGoldrick.....Spokane, Wash.
J. H. Bloedel.....Bellingham, Wash.
W. C. Miles.....Globe, Wash.
D. E. Skinner.....San Francisco, Cal.
George X. Wending.....San Francisco, Cal.
Edward Hines (ex-officio).....Chicago, Ill.

FIRST SESSION

Wednesday Forenoon, May 24, 1911

PRESIDENT HINES: Gentlemen, the meeting will please come to order. In opening this convention, the result of whose work should be important to us and also to the interests larger than ours, it is appropriate to ask for Divine guidance, and it seems fitting that Doctor William C. Covert, whom many of you know as the pastor of the church with which James E. Defebaugh, our lamented associate, who sacrificed himself so largely to the lumber industry, was identified, should offer the invocation.

Dr William C. Covert, of the Forty-first Street Presbyterian Church, Chicago, Illinois, thereupon delivered the following

Invocation

Almighty God, our Heavenly Father, we thank Thee for endowing this great earth with so much beauty and so much wealth, and for providing in it for the comfort and the welfare of all men. We thank Thee for the life and the example of this man's name, that has just been mentioned, for the courage that lived in his heart and for the ideals that stood out above his life's endeavor. We thank Thee for his example, and we ask Thee to perpetuate it and enrich it, enlarge and direct it. We ask Thy blessing to rest upon this association of men; bless them in their home life, bless the absent members of their families; bless the men whom they employ; grant that there may be a living tie that binds them to the humblest man that works for them and with them.

We ask for the blessing of God to rest upon every word spoken here and upon all the deliberations of this association. We ask for Divine direction in all life, the build-

ing strong of human character through the upbuilding of our material things; that it may not be our supreme motive merely to gather money, but that it may be our motive, our purpose, to gather money and all influence that we may build strong human character and seek out the highest interests of our brethren. Direct all of the discussions and sanctify all of the meetings of this association, and welcome, we pray thee, strangers and guests all alike in the broad brotherhood for which these men stand.

And all we ask is in our Master's Name. Amen.

Introducing Corporation Counsel W. H. Sexton

President Hines: Chicago has many unique features to present to you for your interest, or perhaps, for your disapproval, but there is one particular matter in which I believe she is alone among all the cities of this country. That is in her devotion to one family and name. If the Mayor of Chicago is not named Harrison you will understand that something extraordinary has happened in the political affairs of our city.

Carter H. Harrison was first elected Mayor of Chicago in 1879. For four consecutive terms he, the father of our present Mayor, served the city in that capacity. After an intermission he was elected to another term of office during which his career was cut short by the deed of an assassin, and so disappeared from among us a commanding and brilliant personality. But in 1897 the name reappeared and Carter H. Harrison, Jr., was elected executive head of this inland metropolis. Four terms he served and then, after an intermission of two terms, he was again, in April of this year, elected to the lengthened term of four years, as Mayor of Chicago. Ten times has a Carter H. Harrison been elected to that office. But this is a big city and the duties of its Mayor, who is the responsible head of every department of its government, are so numerous that he can not always find time to extend in his own person a

welcome to those who visit us, and therefore in his place and as representing him, I introduce to you Mr. William H. Sexton, Corporation Counsel of the City of Chicago.

Address of Welcome

Corporation Counsel William J. Sexton then spoke as follows:

Mr. Sexton: Mr. President, Ladies, and Members of the National Manufacturers' Association:

The program calls for the attendance of the Mayor here today to welcome you to Chicago. I do not know whether or not the Mayor promised your committee on arrangements to be here today. I doubt if he did; because if he did he would be here. He has recently gone through one of the greatest political campaigns ever fought in Chicago. The man is worn out physically and, I believe, to a great extent, mentally. And I, therefore, believe that he did not promise your committee to be here, but sort of intimated that he would have a substitute here.

The Mayor knows of your attendance here in Chicago. He is pleased to know that you gentlemen, occupying the positions of influence you do in your own communities, have chosen Chicago as your meeting place, and he has taken pleasure in sending me, his attorney and the attorney for the City of Chicago, to greet you. I believe in this instance he has made a mistake. I do not think he should have sent his lawyer. I do not think it calls for the attendance of a lawyer here. I think he should have sent his comptroller or his city treasurer, as I believe either or both of these men together would have had some show with you gentlemen of affluence and wealth in worldly goods, as I understand you all are. I do not know that at first hand, because I haven't seen any of it, but I believe that is correct, is it not, Mr. Chairman?

Now, gentlemen, the Mayor has been unable to attend any

functions since he went into office and I want you gentlemen to understand that. And now, formally, gentlemen, I want to present to you, individually and collectively, the freedom of Chicago, to extend to you officially the greetings of the Mayor of Chicago, and I trust that you will have a good, enjoyable time in Chicago. You know this weather we have here today we have every day in the year, and you need not be surprised at the beautiful appearance of the lake front that is presented through your front windows here. We people in Chicago appreciate Chicago, and we believe that after your sojourn here you will appreciate Chicago.

We desire to thank your officers for having selected Chicago as the meeting place. I hope, gentlemen, that you will enjoy yourselves in Chicago, and that upon your return to your respective homes you will find everything there in good shape so that you will have no regrets for having come here. I thank you. (Applause)

President Hines: Mr. Sexton, since you, representing the Mayor, and I are really joint hosts, it seems proper that the visitors themselves should reply to your words of greeting; so I will ask Mr. R. A. Long, of Kansas City, Missouri, to respond on behalf of the association. This is especially appropriate because the delegation of which he is a prominent member is larger than any other, representing an association that in membership and magnitude of product is the largest. Furthermore, Mr. Long preceded me in the office of president, and by virtue of that fact he is ex-officio member of the Board of Governors. If I may be permitted a play upon words, he is one of the longest-headed men and of the longest vision in the lumber industry. His business interests are great, but almost equally notable are his interests in religious and philanthropic work. He represents, I believe, in a special way, the spirit and purpose of this association and of these gentlemen here. Mr. Long, will you respond on behalf of the convention?

Response to Address of Welcome

Robert A. Long: Mr. Chairman, Ladies and Gentlemen: If the length of my speech, judged, possibly, by the distance between the notice that I was given and the date of this session, is taken into consideration, it will be remarkably short, for only by accident I learned last night, while sitting with the committee at a quarter past eleven o'clock, by looking at the program, that my name was on the program.

Last Sunday morning one of the daily papers of Kansas City came out with great headlines involving what purported to be a great lumber trust; also involving the names of the larger manufacturers of lumber living in Kansas City, our company excepted. It, however, went on to give the names of four or five of the larger concerns, and then said "others." It is probable that we were named under the head of "others," because we are not usually slighted in that way. (Laughter.)

A personal admirer that possessed more sentiment in his heart than he did good judgment in his mind, called me up that afternoon, not noting, I presume, our name in the allegation, and said he thought I was the proper party to call together a body of the lumbermen that were *good* lumbermen, and to organize a society to drive out of the business all of the *unworthy* lumbermen. I am very glad to say that I believe with all my heart that the large majority of lumbermen are worthy lumbermen, and hence that society would be a very extensive one and the ones to be excluded would be very few.

We are always glad, I am sure, to be welcomed into the homes of our acquaintances, to be welcomed into the different cities where we may go to hold our conventions, but especially do I feel that we ought to be glad, and I am sure we are, to be welcomed by the representative of the Mayor of the great City of Chicago, for the special reason that living in this city is the man who is the president of this

honored body; a man whose name has been defamed, as we know, by those who seem inclined to convict without a hearing. And I want to say here and now that I have every confidence that our chairman will come out of this fight in glowing colors. (Applause.)

GOOD AND BAD PUBLICITY

The newspapers of our country are a wonderful factor in the dispensation of information. Much of it is good and along honorable lines. Some of it, at least, is bad, and along damning lines, if you please. But at this juncture I want to tell a little story which to me illustrates in a measure what weight these reports that go forth in such journals as are not worthy of dignified consideration, finally have. A few weeks ago I was down in Kentucky, my native state. Stopping for a day with a friend of mine—you know we Kentuckians are all fond of horses—I said to him, "Who owns the best saddle horse in the State of Kentucky?" "Well," he said, "I don't know. There are only three or four, I think, that are 'outstanding' horses. I think I know them all," and he proceeded to give me their names and their owners. He said, "Why did you ask me that question?" I told him that I was in Lexington the day before and a gentleman asked me if I wanted to see the best saddle horse in the state, and that I just wanted to see how the judgment of the two men agreed. "Well," he said, "let me tell you a little story bearing upon that." He said: "I went to Lexington some time ago under the belief that I possessed some of the best horses in the state, and for the purpose of entering them in the show that was soon to come off. After I got out there I went around to Mr. A's stable and found that he claimed to have the best horses in the state. I went to Mr. B's stable, and he claimed the same thing, and to Mr. C's stable and he claimed the same thing." He said, "I ran onto an old darkey that formerly worked for me, and I said to him, 'Jack, when I came here I thought

I had the best horses in the state, but I believe I made a mistake in coming,' and the negro said, 'Why, boss?' 'Well,' he said, 'I have been around to the different stables, and they all claim to have the best horses in the state and if they have, I certainly haven't.' He said, 'Boss, don't you know that is only stable talk?' He said, 'The judges that decide on this thing are over in the ring. There is where the ribbon is tied.'" (Laughter.)

So the newspapers may have much to say about many things, they may have much to do about the moulding of public sentiment, but finally we are glad to say that we have a supreme court in this country that passes upon these things without prejudice and gives justice, as a rule, we believe, to men charged. We believe that these things will never go that high; but if they should ever go that high I believe the lumbermen in this convention, who will have listened to the testimony in the meantime, will believe and declare, as I have stated, that our president is not guilty of the charge made. (Applause.)

I want to say it is very unfortunate, of course, for Mr. Hines and for this body, for these charges to have been alleged; but I speak with all of the emphasis of my soul when I say that, when the clouds have rolled away, when the records have been finally made, they will show that Edward Hines has worked harder and more effectually for the lumber industry of the United States than any other man that has ever occupied this position, and any man that follows him will have a pace set for him that will be hard for him to keep track of. (Applause.)

And so, Mr. Representative of the Mayor, we want to say that we are glad to be with you this morning. As to the weather, however, I was here last week—and I live in Missouri. (Laughter.) We are glad to be in this city. We are glad that so large a body is present, and we are glad to have, as our presiding officer, Mr. Edward Hines, a gentleman resting for the immediate present under a

cloud; but I want to give him my hand, and say to him that we are his friends and expect to be until, if ever, he is proven guilty of the charges that have been made against him. (Mr. Long then grasped Mr. Hines' hand, amid applause.)

Welcome to Visitors and Guests

President Hines: The National Lumber Manufacturers' Association has met annually, but in many different climes and under varying auspices. When a little more than a year ago at New Orleans I invited you to hold your next annual meeting at Chicago, I became in a way personally your host, for this is not a lumber producing city, though perhaps the greatest lumber consuming center in the country. You have met by the seashore in Atlantic City; you have met in Washington, the capital of our country, with all its features of public interest; in St. Louis, which, while once a rival of Chicago in population, is now content to be its rival in business worth and stability; in Norfolk at the time of the exposition celebrating the first permanent settlement of white men on our shores; in Minneapolis, then recognized as one of the leading sawmill cities of the country, but now aspiring to the commercial control of that great Northwest, which includes not only our northern states, but the northwestern provinces of Canada; in Seattle, that young city of boundless ambitions; in New Orleans, a city of cosmopolitan population where a great future is being builded out of an historic past; and now you meet in Chicago, emphatically the business city of the continent. Yet it has its advantages other than those of business opportunity and convenience. Stretching along the shore of this inland sea, I promised you at this season of the year, if you would accept my invitation, besides the attractions of any metropolis, a climate unexcelled, and a place in which a business organization could perform its business rapidly and effectively. I am glad that the fates, which regulate our climate

and which are sometimes fickle, have been kind to you and to me. You will see from the program that this is to be a business meeting. We will enjoy the opportunity of meeting friends from near and far and of making new acquaintances and friendships; some of you may be tempted to sacrifice some of the business of the meeting for personal business or pleasure; but I hope that the temptation will be resisted and that each one of you will follow the program and that by your faithful attendance at the business sessions you will show your approval of the arrangement by which formal entertainment, so far as the gentlemen are concerned, is left until the end.

President Hines: Mr. Bronson has a brief announcement to make, and we will break into the direct proceedings to have this announcement at this time.

Manager Bronson: When the announcements of this meeting were sent out a few weeks ago, it was the full purpose to give especial attention to the ladies that should come, and the call contained a request that delegates and others should bring the ladies with them. But it had been impossible, until two or three days ago, to make final arrangements for their entertainment; and therefore, some confusion seems to have arisen, and some uncertainty, and a great many ladies have not been reached. The ladies of the entertainment committee desire me to say that every visiting lady is to be the guest of the Ladies' Entertainment Committee of Chicago. A program of entertainment has been prepared, which you will find on the official program following the convention program. We would like to have all of the gentlemen accompanied by ladies, if the ladies are not here now, reach them somehow or other before 12 o'clock, in order that they may be present in the Elizabethan Room, at the south end of the main lower corridor, to meet the Ladies' Reception Committee at that time so as to take part in the entertainment provided. The ladies of Chicago who are interested in this entertainment will feel much grieved if any visiting lady is not notified of this entertainment. Great efforts have been made to reach them, but so far without entire success.

I wish to make a brief announcement to the secretaries of the affiliated associations. I would like to meet them this evening at supper, and I will announce individually to them, as I have opportunity, the place. It is quite important that the secretaries of the

country have an opportunity occasionally to get together and discuss their own association methods and work. It is of assistance to the National association; it is of assistance to the orderly conduct of the lumber business.

President Hines: I will ask the secretary to call the roll of associations, announcing after each the number of delegates and alternates to which each is entitled, and the chairman of each delegation will please announce the number who are now or will be present.

Roll Call

Manager Bronson: Our purpose in asking you to respond to this roll call is simply to indicate how complete the representation is, and I would like to have the representatives of each organization, as its name is called, answer "Present," and state the number of delegates present, if it is practicable to do so.

Georgia-Florida Saw Mill Association, (Inc.)
Present. Four delegates.
Western Pine Manufacturers' Association.
Present. Three delegates.
Northern Hemlock & Hardwood Manufacturers' Assn.
Present. Eight delegates.
North Carolina Pine Association, (Inc.)
Present. Six delegates.
Southwestern Washington Lumber Manufacturers' Assn.
Present by proxy.
Northern Pine Manufacturers' Association.
Present. Seventeen delegates.
Michigan Hardwood Manufacturers' Association.
Present. Five delegates.
Pacific Coast Lumber Manufacturers' Association.
Present. Nine delegates.
Southern Cypress Manufacturers' Association.
Present. Seven delegates.
Hardwood Manufacturers' Association of the United States.
Present. Nine delegates.
Yellow Pine Manufacturers' Association.
Present. Forty-four delegates.
Pacific Coast Sugar & White Pine Manufacturers' Assn.
Present. One delegate.
Redwood Manufacturers' Association.
(Not represented.)

MANAGER BRONSON: Secretary George K. Smith, who is also secretary of the Yellow Pine Manufacturers' Association, and a sort of universal secretary for various interests, is unable to be here this morning, much to our regret and loss, for without him we are unable to present some of the reports in detail that should have been presented.

PRESIDENT HINES: I have a telegram from Mr. Smith which I would like to read now. Mr. Smith has attended every meeting of this association. He is an important factor in the association. It is to be regretted that it is impossible for him to be here this morning. This is directed to the association:

> I regret that my duties at court here prevent my attendance at the first session. Expect to be present on second day. Hope you will have a good attendance.—George K. Smith.

We hope he will be here tomorrow. (Applause.)

Address of President Edward Hines

Gentlemen of the Convention: Before presenting to you at this annual meeting a report as to the affairs of the office of president of this association during the past year I deem it proper at the outset to say a word respecting certain charges that have been made against me, and in some instances against the lumber interests, in relation to certain national affairs. I absolutely and unqualifiedly deny these charges. I am absolutely innocent of any wrongful acts in these matters. *This* is not the *time* nor the *place* to go into these matters in any detail. I have no *apology* to make for my conduct as an individual or as an officer of this association or of any other association which has honored me with its confidence; nor have you or any other factor of the lumber industry any apology to make for its conduct and attitude towards national issues. So far as I am *personally* concerned at the *proper time* and in the *proper procedure* I shall vindicate myself and confound my traducers and before a tribunal that will not be a grotesque travesty on justice and law—a mere tool of politics and the subservient organ of unfair and unscrupulous journalism. I shall not only welcome, but I shall insist upon and secure the fullest investigation as to my action in these matters and where the sanctions of the law will bring out the truth and expose the falsehood.

What I have done in behalf of the lumber industry, in my own and your behalf, and what you have done in coöperation with me has been done openly and legitimately, and what every citizen is not only entitled to do, but should do for the protection of his legitimate interests. It is the course pursued by the farmers, the

laboring men, the manufacturers in various lines, the merchants and importers. The light thus thrown upon the business situation and needs of the country from these various sources, which in the aggregate cover the whole of it, is received by the law-makers of the govenment, so that a conclusion may be reached which will be equitable to all and cover the needs of all. This has always been done and necessarily always must be done. We read in the daily papers of the crowds of representatives of the several classes of producers and consumers besieging the committees of Congress, protesting or importuning them in behalf of their respective interests, and of all the interests thus engaged there has been none more persistent—yes, insistent, menacing and dictatorial—than the publishers of the country.

For the exercise of this right, for the fair protection of our industry, we have no apology to make to any one. It is a vital part of the Right of Petition secured to us by the constitution of the United States.

REPORT ON ASSOCIATION WORK

The Ninth Annual Convention of the National Lumber Manufacturers' Association meets in what is destined to be the greatest manufacturing center in the United States, and our association, being one composed of active manufacturers, has chosen wisely this great center—the most convenient meeting place of any that could be chosen. Another feature which makes it most appropriate is the fact that more of our product in all its diversified forms is used here than in any other city in the United States, for the woodworking industries are almost preëminent among the industries of this city.

Perhaps I should not use a megaphone in enlarging on the merits and advantages of Chicago, for it is my home city, yet all of us, if we amount to much, are proud

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of the city in which we live, especially where it has contributed to what success we have had and to whose prosperity we all have in turn contributed. But that feeling of local pride which all of you possess—and perhas Mr. Downman will be inclined to talk for New Orleans, Mr. Shevlin for Minneapolis, Mr. Bloedel for Seattle, Mr. Wendling for San Francisco, and each of you for your particular place of residence—will indulge me in acclaiming Chicago. All my working life has been spent here and I am proud of the progress the city has made. This progress is not only in business lines, for the city is notable in the arts and the professions, for its universities, libraries, and musical and art institutions; its interest in the welfare of the poorer people and what it is doing in the municipal development place it in the front rank of the cities of the world.

CANADIAN RECIPROCITY.

A year ago at the meeting in New Orleans I said that we had reached the end of a bitter tariff campaign and that with the defeat of the effort to place lumber on the free list our condition was not so regrettable as we thought it might be. I congratulated you on the ending of the tariff campaign, yet now we find ourselves again in a renewed campaign of the same sort. Again lumber is asked largely to bear the burden of what is classed as tariff revision. This time it assumes the old guise of reciprocity with Canada, and, obeying the mandate of the association, we have been making a fight against the invidious discrimination with which we are proposed to be treated.

A good many lumbermen of this country are inclined to say that we might as well give up this fight; that free lumber is bound to come along with many other additions to the free list, and that the sooner it comes and we settle down to business the better. Yet I do

not know a lumberman who does not resent the singling out of the lumber industry for special attack. I can see that it is possible that to some lumbermen the removal of the duty on lumber will be no particular hardship, but such is not the case with the industry as a whole and, whatever the results might be, we feel a just resentment against treatment so discriminatory and which so violates all the principles which are supposed to direct the economic policies of our government, whatever party may be in control.

For the majority of the time during the last more than fifty years protection has been the policy of the government. The last national republican convention defined the proper degree of protection—gave us a basis by which to measure it. Applying that measure to the lumber industry we are entitled to more than the protection we have.

The other great national party, to which many of us belong, believes in a tariff for revenue, with protection, if considered at all, merely incidental. On that basis also free lumber is not justified by the conditions. The eminent Chairman of the Ways and Means Committee of the House of Representatives, Honorable Oscar W. Underwood, has stated, I am reliably informed, that in his personal opinion lumber is a fit commodity for the imposition of a revenue duty, in that it would produce a revenue with as little damage to any national interest as would the imposition of a duty upon anything else. Mr. Underwood knows that the lumber manufacturing industry is not trust controlled or even influenced by combinations or agreements in restraint of trade. So, therefore, so far as he is concerned, the placing of lumber upon the free list is simply a fulfillment of the democratic platform and an attack upon the principle of protection as distinguished from the tariff policy of his party. Many of the democratic opponents of the lumber duty

are such merely because of their party creed and of the political exigencies of the time.

We protest against the duty on lumber—which is justified under either tariff policy, and is in the interest of the public because it is in the interest of forest conservation—being made the football in the struggle for mere political advantage.

For these reasons, we, as an association, through the Board of Governors, have protested against the so-called reciprocity agreement with Canada. Failing of passage at the last Congress, it has been presented again at the special session and we have a somewhat curious sight of a measure, framed, offered to Congress, and advocated by a republican President, being made a weapon by the democratic House in its attack on republican principles, at the same time violating its own tariff theories.

Now, that bill is in the Senate, under discussion in the Finance Committee. The lumber industry has made a very favorable impression on that committee, and it is believed that not to exceed three of its membership of fifteen are really in favor of the bill and that a similar situation prevails in the Senate as a whole.

The bill will be reported out of the committee, but probably with material amendments, designed to introduce into it some genuine reciprocity. Possibly it may be reported out simply without recommendation—but this seems certain: That if no member of the committee felt himself bound by party ties or obligations or were under no pledge to the Administration, the bill as it stands would be adversely reported by a vote of about eleven to four.

In the Senate itself polls of the membership indicate practically a tie at this moment, but in spite of this apparent situation today the vote adverse to the bill would be overwhelming if members of the Senate were not under pledge to party or Administration.

It is believed that before the discussion closes the sentiment against the bill, which is so rapidly growing throughout the country at large, will be so reflected in the Senate that the larger considerations and the real interests of the country will determine the matter on what we believe to be the side of justice.

RECIPROCITY CONFINED TO TITLE OF BILL

When it was announced in January that representatives of Canada and the United States, respectively, had agreed upon a reciprocal arrangement as to trade between the two countries the country was pleased. Reciprocity has a cheerful and soothing sound and I think that the people in general, including ourselves, were inclined to give the President and his advisers hearty support, but study of the bill changed the feeling with which it was regarded. When it was seen that its reciprocity was confined largely to the title and that in its provisions it was non-reciprocal and in many respects inequitable, public opinion rapidly changed, until now it is freely predicted by other interests that if the bill becomes a law not one of the northern border states, from ocean to ocean, in which the farmers control, will give its support to the sponsor of the bill in the next national election if he should be renominated for the presidency. This is the report that comes especially from the farming interests, who have been thoroughly aroused to the discriminations shown against that great industry and who have through their representatives that have appeared in Washington greatly changed the feeling in Congress.

Here let me say that this bill has made strange bedfellows. The farmers in the northern states, who two years ago showed such bitter antagonism to the lumber duty, are changing their minds. They now admit that the removal of the slight protection accorded lumber

would have little or no effect upon prices of lumber to the consumers and that the few dollars of advantage the farmers might receive from being able to save a few possible dollars on the occasional building of a house or barn would be wiped out twenty times over in the annual loss of value of his own products.

We found, therefore, many of the men who two years ago were strong in their opposition to any duty upon lumber now willing to retain the present duty, claiming that it is only a very reasonable one, while demanding retention of the duty on the products of their farmer constituents.

This fact promises good for the lumber industry. We are no longer to be attacked, as manufacturers, by the farm papers of the country or by the political conventions in agricultural states on the ground that we constitute a trust and dictate the prices paid by consumers. The friendliest relations have been established between these opponents of the reciprocity bill and the representatives of lumbermen.

Allied with these are many other interests. The cattle raisers of the country are up in arms and the public sentiment of Texas is now against this particular reciprocity measure. The fishermen of both coasts and the manufacturers of wood pulp, and, remarkably, those who are using the manufactured paper product, like the book manufacturers of the United States, have joined in strong protest against reciprocity.

CHIEFLY SUPPORTED BY NEWSPAPERS

This pertinently leads to the question, "Who is advocating the bill?" From a close analysis it appears the newspapers of the United States are practically alone in advocating the passage of the bill, reinforced in a mild way by some commercial bodies located in some of the cities along the border who would like to increase their

trade with Canada, and a certain class of sentimentalists to whom the mere word "reciprocity" appeals, and many of whom admitted on examination that they have not really studied the bill or its effect upon the industries of the country.

Experience gained in the previous tariff campaign, as explained in my address a year ago, taught us a lesson and enabled us to have our association reasonably well organized and with a manager thoroughly equipped, who has done very intelligent and strong work recently at Washington in so thoroughly placing before the members of the Finance Committee of the Senate the good reasons why the bill should not be considered favorably. A very short time spent in looking over the reports of the hearings during the past week would show anyone quickly the valuable statistics, the concrete examples, the correct intelligent information presented, all of which had been carefully prepared by your manager, and we should be congratulated on having the machinery, our office ready and a manager able so forcefully and intelligently to represent us before that body, but your officers cannot be expected to influence each Senator of the respective states in the direct and personal way that is absolutely necessary. As is often so well said, the average Congressman and Senator has "his ear to the ground" waiting "to hear (using the old phrase) from home." Therefore, we now earnestly urge upon those in attendance here from the respective states, at least those vitally interested—and there are some sections which naturally will be hurt more than others should the reciprocity bill pass—to appoint committees of from three to five from each state and go to Washington immediately after this meeting, calling upon their respective Congressmen and Senators, and personally explain in detail their peculiar local situation and the effects of the passing of the bill in their own state. This has been suggested by our

friends in Congress. Naturally each manufacturer, understanding his local conditions better than the officers of your association could possibly understand them, can show his respective Congressman or Senator whereby their respective state will be vitally hurt. Not alone the lumber interests will be hurt, but the interests of the entire country will be more or less affected.

It would be deplorable if, at this particular critical period, after all the hard work that has been done and the sacrifices made by the officers of your association, after this great meeting, which is within one night's ride of Washington, you did not meet the requests of your friends in the Finance Committee and other friends in the Senate and go to Washington and spend two or three days if necessary doing such missionary work as you can accomplish.

I cannot urge upon you too strongly at this time the necessity of doing this. It has been most noticeable during the past two weeks in Washington—in fact, during my visit there last week two prominent Senators remarked that it seemed strange that the lumbermen, the active manufacturers of the Pacific coast and of the Northwest and the border states, and many of the great southern states, so far had personally not been to Washington; that it indicated to some that the lumber industry was apparently passive in viewing the reciprocity bill. It was particularly criticised by the various other associations that have had representatives from almost every state in the United States in Washington during the past month assisting their officers by appearing before the Finance Committee and by daily missionary work, each among their respective Senators from their state.

Representatives of these other interests have said to us: "We believe we have this iniquitous bill beaten, and if you lumbermen would wake up and do anything like your share we would be sure of it."

THE MANAGER'S OFFICE

It is with a great deal of satisfaction that the past year's experience has shown that we acted wisely in retaining Mr. Bronson as the active manager of the organization. We have been able to place before the public in many papers the true facts regarding our industry.

The prejudice against our business was so strong that for a time results did not become apparent, but the work that has been done has plainly shown itself since the reciprocity treaty was put forward by the President, when the validity of our arguments, which had been impressed upon the farmers and others, was admitted and now the chief purpose of the publicity campaign, waged under difficulties, has been largely accomplished.

As you full well know, the press for several years has been practically closed against us, one particular reason being that no lumber manufacturers advertise in the daily press. The papers receive no revenue from the lumber industry and, as for some time they have felt the lumbermen were largely responsible for the defeat of their demand for wood pulp and paper, they have been openly antagonistic to the industry in every shape, form or manner, showing deep, intense, bitter feeling against the industry as a whole. Hence, it has been all the harder for your manager, through the columns of the press, to secure nearly as much opportunity of getting publicity as could be afforded other industries. But we have been particularly fortunate in obtaining the favorable consideration and coöperation of every journal or publication on forestry and conservation. Thus we have been able to reach the very students of forestry and conservation with articles which are now bringing and in time will more and more bring, a changed feeling towards this industry.

RAILROAD MATTERS

As has been previously stated, this association does not aim to interest itself in freight rates. Naturally, they are sectional and if we attempted to do so we would be soon placed in the embarrassing situation of seeming to favor one section as against the other, but the past year, as an experiment, at but a very slight expense so far, the manager's office has been getting up statistics showing the comparison of freight rates from given places in one state to given places in another—not confining the work to certain local locality, but well covering the country.

With the statistics thus far compiled it is perfectly evident that, owing to the ignorance on the part of the manufacturers and the failure to coöperate on a question of this kind as a unit, our product has been bearing more than its share in freight rates for a number of years, and we have unconsciously been greatly taken advantage of. It would be a hard task under the present attitude of the railroads, viewing unkindly anything that looks like a reduction in freight rates, to immediately obtain redress, but there is no question but that this subject may be successfully taken up along the lines that we are not seeking to have the railroad companies give us lower freight rates, but only trying to obtain equitable treatment compared with other commodities, which do not furnish as much tonnage as our industry does, and yet are being carried in the same manner, the same distance for considerable less freight rates—and, as will seem a surprise to you, many articles per car load at a higher cost and with greater risk to carriers than our own products.

From experiments thus far in this line I feel warranted in urging upon my successor the importance of encouraging the management in this phase of the work and the appointment of a special committee to personally assist

the manager in this work. I wish to call especial attention that in doing so in no way will any certain locality be taken advantage of, but the question, if properly handled, should mean a saving to the industry as a whole, or at least prevent discrimination against us in future rate making.

This same committee could take active charge of or assist in the classification question, which Mr. Charles E. Brower, of Memphis, Tenn., has been handling and has done valuable work. He has proven the correctness of his views and the feasibility of the plans advocated.

A question that has been touched upon briefly by some railroads for our consideration is the thought of possibly arriving at some classification whereby a reduced rate can be made on the lower grades of lumber, perhaps compensated for by higher rates on the better grades of lumber. This particular phase of the question has not been gone into sufficiently for me at the present time to give any recommendation, but I suggest it for your consideration.

TIMBERLAND TAXATION.

The question of timberland taxation, which was referred to at our last meeting and which has been the subject of much study on the part of our Board of Governors and of our manager, has proven to be a very difficult one. There is opposition to any change in the methods of taxation in some sections where conditions are not like those in others, yet it is a question that must be coupled with conservation and reforestation, if this latter shall work out on practical lines.

FOREST FIRE PREVENTION.

This is a matter that is of chief interest to certain particular sections, others not being affected in any material way, and it seems to your officers that it must be handled

from a local standpoint, though the National association should feel it is its duty to assist wherever possible in securing from the state or national government, their active, if not financial support. This matter is one which your manager has succeeded in impressing upon the people who are making a specialty of this work, among other things impressing upon them the fact that there is probably no part of the business community which receives such small returns from the money it pays in taxes as the lumber industry. The most we get back is some public roads that perhaps we do not need, and of course the general alleged protection of the government. The city tax payer has his property protected against fire by the city fire department, but the man who pays taxes on his timber-lands gets practically no such return.

FOREST CONSERVATION.

It is to be regretted that the chairman of the Conservation Committee of the National association is not here today to address you upon this subject. At this time I cannot help but expressing my great regret that in the National Conservation Congress, held in St. Paul, last September, the activities of those who were there for the apparent sole purpose of advancing what they thought to be their political interests led to a peculiarly delicate situation, which warranted Captain J. B. White in declining the presidency of the Conservation congress. He could not accept the terms and conditions surrounding the offer of the presidency, which was coupled with the requirement that he place upon his executive committee certain specified men, which he could not with dignity to himself or our association agree to. He is to be commended for refusing the presidency of the Conservation congress under such circumstances. The same agencies at that time, through the aid of the Associated Press, most unjustly through false reports sent out, made a bitter attack upon your president.

HONARARY MEMBERSHIPS.

One of the important elements that should assist in cementing more closely our association work, is to have continued the yearly and life honorary memberships, from which source considerable financial assistance is derived, most necessary, but above this, and more important, is the interesting of the more prominent holders of timberlands, many of whom are not active manufacturers, but whose interests in results to be accomplished by the association are equal if not more so than those actively manufacturing. The yearly cost of the honorary membership is but one hundred dollars, a life membership being five hundred dollars.

Up to the present time, it gives me great pleasure in stating that we have secured five life memberships, as follows:

J. W. COCHRAN.....Ashland, Wis.
ROBERT A. BOOTH.....Eugene, Ore.
J. W. GILCHRIST.....Alpena, Mich.
H. B. HEWES.....Jeanerette, La.
JAMES D. LACEY.....Chicago, Ill.

The aggregate list of annual honorary members to date are as follows:

JOHN MILLEN.....Duluth, Minn.
JACOB MORTENSON.....Oak Park, Ill.
ISAAC STEPHENSON.....Marinette, Wis.
GEORGE J. FARNSWORTH.....Chicago, Ill.
PERLEY LOWE.....Chicago, Ill.
J. S. STEARNS.....Ludington, Mich.
WILLIAM DEARY.....Portlatch, Ida.
CUMMER LUMBER COMPANY.....Jacksonville, Fla.
WILLIAM CARSON.....Burlington, Ia.
GEORGE E. W. LUEHRMANN.....St. Louis, Mo.
J. H. HIMMELBERGER.....Cape Girardeau, Mo.
C. M. CRAWFORD.....Coal Grove, Ohio
CROOKSTON LUMBER COMPANY.....Bemidji, Minn.
SHEVLIN-MATHIEU LUMBER COMPANY.....Spooner, Minn.
NICHOLS-CHISHOLM LUMBER COMPANY.....Frazee, Minn.
WILLIAM IRVINE.....Chippewa Falls, Wis.

L. K. Baker.....Odanah, Wis.
T. W. Walker.....Minneapolis, Minn.
C. A. Smith.....Minneapolis, Minn.
J. P. McGoldrick.....Spokane, Wash.
D. L. Hebard.....Philadelphia, Pa.
F. A. Blackwell.....Spirit Lake, Ida.
Henry Turrish.....Duluth, Minn.
Frederick Weyerhaeuser.....St. Paul, Minn.
Yawkey-Bissell Lumber Company.....Arbor Vitæ, Wis.
Humbird Lumber Company.....Sandpoint, Ida.
J. L. Grandin, Jr.....Boston, Mass.
E. B. Grandin.....Washington, D. C.
O. W. Fischer.....Bozeman, Mont.
J. Lewis Thompson.....Houston, Tex.
George W. Dulaney.....Hannibal, Mo.
Central Coal & Coke Company.....Kansas City, Mo.
Louisiana & Texas Lumber Company.....Kansas City, Mo.
H. M. Strathern.....Post Falls, Ida.
W. K. Coffin.....Eau Claire, Wis.
A. L. Flewelling.....Spokane, Wash.
T. B. Keith.....Eau Claire, Wis.
Payette Lumber & Manufacturing Company.....Boise, Ida.
A. W. Laird.....Potlatch, Ida.
J. W. Oakford.....Scranton, Pa.

I would recommend to my successor that he keep actively in mind the increasing of the honorary memberships. No more important work should fall upon the manager of this association than that of having those who are now honorary members keep alive their membership and also to encourage others to take life membership certificates.

Allow me to urgently request those who hold annual certificates to increase their contribution so as to be entitled to life membership, as no greater adornment could be placed in their office than a framed certificate of this identity with so great a national organization.

PRESENT STATUS OF AFFILIATED ORGANIZATIONS.

It is to be regretted that during the past year we lost one of our affiliated organizations—namely, the Ore-

gon & Washington Lumber Manufacturers' Association. Your officers made every effort to have them retain their membership, and after they tendered their resignation, made strong endeavors to have them reconsider their action and return to the fold. Our manager, Mr. Bronson, made a special trip to Portland, and, assisted by several members of the Pacific Coast Lumber Manufacturers' Association, presented to them the importance of maintaining the unity of the industry, but up to the present time our efforts have been unsuccessful. However, negotiations have been pending for some time, with the result that they will soon be affiliated with the National body again, as a part of the consolidated body on the North Pacific coast. But we have not diminished in numbers, having obtained a new membership from the Coast—namely, the Pacific Coast Sugar & White Pine Manufacturers' Association, of which Mr. George X. Wendling is president and the members of which have shown their interest by his presence here today.

Our manager has up at the present time negotiations which promise favorable action by the Spruce Manufacturers' Association, of Pennsylvania and West Virginia, which will very likely soon join us. Also the Empire State Forest Products Association, covering the industry of New York, the Adirondacks especially, as well as the New Hampshire Lumber Manufacturers' Association, recently organized at Boston.

Yale Forest School Endowment.

Your officers within the past year have given considerable thought and time towards completing the one-hundred thousand dollar endowment for the Chair of "Applied Forestry and Practical Lumbering" in the Yale Forest School, and it is with a great deal of pleasure that we are now able to state officially that this fund has been

raised, though the last five thousand dollars was particularly a hard pull.

DECEASED MEMBERS.

It is my sad duty to call your attention to the fact that since our last meeting death has taken from us some of our most prominent members, among whom was our first president, Mr. Edgar Charles Fosburgh, of Norfolk, Va., a most intelligent and tireless worker in our behalf. At the last meeting of the Board of Governors, of which he was a member, suitable resolutions were adopted and an engrossed copy sent to his widow.

From our list of honorary members it is to be regretted that during the first year in the life of our honorary memberships we lost Mr. H. P. Svendsen, of Spokane, Wash., and Mr. W. E. Wheeler, of Portville, N. Y., both prominent in our association's work.

The committee on resolutions will undoubtedly take appropriate action.

MEETINGS OF THE BOARD.

During the past year, through a combination of circumstances, we were unable to have as many meetings of the Board of Governors as should be held during the year. I feel that meetings should be held every three months in order that the active management may receive the results of such an exchange of ideas among the Board of Governors, and helpful recommendations. While it has been found extremely difficult at some periods to secure a reasonable representation of the board, I feel our experiences prompt me to urge strongly the importance of having meetings at least three or four times a year, particularly in order that the active management may not be criticized by any of the affiliated organizations, without the basis of actual knowledge as to what is really transpiring. Such meetings would

be bound to strengthen the ties of confidence that should exist between the different affiliated organizations, and those that attend, returning home, could then so much better disseminate to the various affiliated associations the information and work of the active officers of the National.

THE BUSINESS SITUATION.

A year ago at our meeting indications pointed to improved business conditions, and the prophecy made at that time has, to some extent, been fulfilled. The volume of trade has considerably increased. There have been some advances in the price of low grade lumber, but by no means is lumber today selling at what it should be, consistent with the price of stumpage, the cost of production, transportation, the overhead expense and carrying charges of interest, taxes, and risk of fires and cyclones.

Viewing the situation from the immediate present, the crop reports never were better, and, while the prices are somewhat lower, if the present indications of volume materialize, it should approach at least that of last year. The future never looked better from an agricultural standpoint.

But one strong feature that may affect the farmer, cause him to hesitate, and delay contemplated and necessary improvements, which particularly would affect lumber, is the uncertainty of the reciprocity bill passing, and, if it should pass, immediately placing on the free list all of the farmers' products, in my judgment it would have a tendency to influence the farmers of the Middle West, extreme West and Northwest, to wait and allow conditions to settle in order to determine how much they would be affected by such changed conditions. This, in my opinion, would stop, at least for the time, their making such improvements and purchasing such articles as under ordinary circumstances they would

reasonably expect to purchase this fall. In my judgment, this will not alone affect the purchase of lumber to some extent, but everything else as well, except immediate and absolute necessities.

Also, this must have some effect upon farm land values in the same sections, as it is bound to have the tendency to divert investments to the Canadian Northwest, where cheap land is available, thus sending away more or less of the funds that would ordinarily be retained in our own country.

This particular situation is at the present time peculiarly and directly retarding the development of a section of the country where, prior to the reciprocity bill being presented, there was much favorable consideration being given towards the settling of the cheap lands, cut-over lands, and drained lands, and which had not shared up, to this time, with the more favored sections of the West and Middle West—namely, the South. This is especially deplorable to the southern lumber manufacturers, as naturally they would have been enabled to market a greater portion of their product in nearby markets.

The financial situation is apparently sound, money being plentiful not alone at all large centers, but throughout the country, and at comparatively very low rates.

The transportation companies have stopped everything but absolutely necessary improvements and the purchasing of additional equipment. This directly affects the lumbermen. There is one exception to this, and that appears in the box industry. A marked improvement during the past six months has been evidenced, and a considerably larger portion of this class of lumber has been utilized and cut up by the box industry, which makes the low grade material in reasonably active demand.

THE BLUE BOOK.

Again I feel it a pleasure and a duty to call the attention of those lumber manufacturers who as yet are not subscribers to the importance of subscribing to the Blue Book, and to urge strongly upon all of them to do so. It should be considered a necessity among all manufacturers, and the greater the number who subscribe to it, the more coöperation is extended to the management and the more efficient it becomes. No lumber manufacturer can subscribe to a more valuable asset than this in his business.

The secretary of each affiliated organization should feel it his duty to assist in having every member of his association subscribe for it. There can be no further question of the Blue Book, the official credit organ of the National Lumber Manufacturers' Association, being an experiment or a success.

At this time I feel warranted in especially complimenting the association on your manager, as from my experience, too much confidence cannot be reposed in him. In all his work, his diplomatic qualities are especially noticeable. He has an effective yet most courteous way of approaching not alone a subject but all those with whom he comes in contact. It is especially noticeable in handling difficult or delicate situations. He is in a remarkable degree able to quiet animosities, reconcile differences and leave behind him an impression favorable both to himself and the cause which he represents.

At this time, it is with a great deal of pride and satisfaction that I thank the Board of Governors, the officers and individual members of the affiliated associations, for the confidence at all times reposed in me; for their most hearty support and coöperation. While I have spent considerable thought, time and energy in behalf of the National association, the remembrance of the pleasant

relations more than make up for the time, and shall long be remembered as one of the most pleasant experiences of my business career.

I bespeak for my successor the same hearty coöperation and assistance, and I urge upon you the importance of this request in order that he may bring about greater results. (Applause.)

Statement from the Board of Governors

J. A. Freeman (St. Louis, Mo.): Mr. Chairman, I have but a word of apology to offer for appearing before you for a moment now. Peculiar situations and peculiar conditions warrant sometimes what would appear to be a little unusual action. This body has selected, as its central operating force, a number of gentlemen who are termed the Board of Governors. I think, as a rule, you have great confidence in them. They are of your own creation, and I believe that none of you think them to be weak-minded or gullable men or mere sentimentalists. After a session of the Board of Governors last evening extending to near midnight, I had the honor of being selected as chairman of a committee to present to you the following, believing it due to you that the Board of Governors, as such, should make you this statement:

"In view of the continued and relentless attacks upon the character of our highly honored President, Mr. Edward Hines, by sensational newspapers and magazines, the Board of Governors of the National Lumber Manufacturers' Association desire to make a statement to this assembled body of delegates.

"Mr. Hines has at considerable length given to the Board a history of the whole case, has shown us sufficient documentary evidence and facts within our knowledge to most fully warrant us in giving sincerest testimony to our unshaken confidence in his ability absolutely to vindicate him-

self from all the vicious aspersions so wantonly placed upon his name.

"The association is composed of honorable, high-minded and law loving citizens, and will never lend its influence to condoning illegal acts, nor be a party to any whitewashing processes; but when one whom it has been our delight to honor with the highest official position in our gift, and our privilege to know and love through the long and honorable efforts he has pursued to reach his exalted rank among men, and when coupled with that we remember the unselfish service he has rendered us in our struggle for a "fair deal," at a great cost of effort, time and health—when to such a one of our number the shafts of malicious and irresponsible detractors seem all directed. We, his associates and friends, cannot and will not permit ourselves to join the multitude ever ready to accept abuse of character and raise the age-worn cry of "crucify him;" but join with him in his demand for fullest and freest investigation, confident that the record he has made in the past is not the foundation on which scoundrels ever build, and now extend to him our unbounded confidence in an early and complete vindication, our earnest sympathy in the suffering he endures, and our readiness to render him any aid in our power."

John W. Blodgett (Grand Rapids, Mich.): I move, if the motion be in order, that we endorse that communication from the Board of Governors, and that it be made a part of the records of this meeting.

W. B. Stillwell (Savannah, Ga.): I rise to second that motion, Mr. Chairman and Gentlemen, and I do so with pleasure, particularly after the two years' work of this association emphasized by this presence today, showing that when we made our constitution we builded well, and that on that foundation, in our work up to this time, and particularly the last two years' work, much has been accomplished to bring us to what our constitution contemplates.

I will read just two sections of the objects of this association:

> To unify, as far as possible, conflicting interests and eliminate those elements of friction that have so long served as a barrier to the elevation of the trade to the high plane of dignity and usefulness to which its importance entitles it.
>
> To strengthen the bounds of fellowship and inculcate those friendly relations among those engaged in the same calling and occupation whose interests are common and lie along parallel lines, and for the uplifting of our industry to which many of the manufacturers are giving the best efforts of their lives.

Now, gentlemen, as I stated, this presence today and the work that our president has done for us in the past two years, emphasize the fact that we are following our constitution, and we are here, as stated in those resolutions, to guarantee him and all of us, each other, good fellowship and assistance at a time when it is needed. I want to give them a new name because they had no muck to rake; so I want to turn these yellow journals into muck-makers—they couldn't find any muck to rake, so they had to make it, and we have been at the mercy of the muck-makers for the past two years. (Applause).

E. G. Griggs (Tacoma, Wash.): Mr. Chairman, as vice-president of this association, and as a representative from the Pacific coast and a member of the Board of Governors, I want to take this occasion to state that we have acted absolutely in accord with the sentiment expressed by our own association on the Coast. I want to add at this time—and I want to take charge of the meeting and put that motion to a vote. All those in favor of the motion will signify in the usual manner.

(A viva voce vote was taken upon the motion for the adoption of the resolution, which was unanimous in the affirmative, after which, in reponse to many calls for a rising vote, Mr. Griggs called for a rising vote, which was had unanimously.)

President Hines: Gentlemen, I can hardly find words at this particular time to express my feeling in the confi-

dence you have expressed here today by this rising vote. It means more to me at this time than I can explain, particularly with this convention in my home city and where, deplorably, I have been attacked by the home press. I want to thank you, gentlemen, from the bottom of my heart for this expression of confidence, with this assurance, that every ounce of energy I have, every thought that I can command, and every dollar I have will be used, and that very soon, in satisfying the most skeptical in this country of my absolute innocence in every shape, form or manner, no matter how broad the terms can be used. (Applause.)

(Adjourned until 2:15 o'clock p. m. Wednesday.)

SECOND SESSION

Wednesday Afternoon, May 24, 1911.

(The convention was called to order by the president at 2:20 p. m.)

PRESIDENT HINES: Gentlemen, the next on the program is the report of your manager, Mr. Leonard Bronson.

Report of the Manager

When I was honored by the position of manager of the National Lumber Manufacturers' Association, I accepted it with the feeling that I should be able to devote much uninterrupted time to the special effort of reaching the public through the press and otherwise with articles which would tend to counteract the misapprehension of the facts concerning the lumber manufacturing industry and relieve the public prejudice existing because of that misapprehension. But I soon found that such work was only part of that which I was called upon to perform; that the correspondence on all sorts of subjects relating to the lumber industry, which came to the manager's office, was increasingly large and that many lines other than educational work had to be taken up.

The association is entitled to know how I have employed my time. Since the last annual meeting I have made twenty-three trips out of Chicago, occupying all told 160 days. A list of these trips, with the days of departure from and return to Chicago, is as follows:

1910.

May 15-29: New Orleans, La., Pensacola, Fla., etc.
June 20-29: Michigan—Traverse City, Ludington, Cadillac, Boyne City, etc.

July 15-August 17: West Coast trip—Portland, Tacoma, Seattle, Everett, Spokane, Centralia, Hoquiam, Raymond, Portland, San Francisco.
August 21-23: St. Paul, Minn.
August 28-September 2: Michigan trip—Grand Rapids, Ludington, Manistee, Traverse City.
September 3-11: St. Paul, Minn. (National Conservation Congress.)
October 5-12: Atlanta (Southern Conservation Congress), Norfolk and Washington.
October 18-20: Detroit, Mich.
November 2-3: Des Moines, Ia.
November 14-19: New Orleans, La.
November 29: Milwaukee, Wis.
December 4-11: Washington, D. C.

1911.

January 3-5: St. Paul, Minn.
January 14-25: Tacoma, Wash., and Portland, Ore.
January 31-February 5: Washington, D. C.
February 7-15: Norfolk, Va., and Washington, D. C.
February 25-March 7: Washington, D. C., and New York.
March 17-19: Minneapolis, Minn.
March 21-30: Washington, D. C.
April 15-22: Washington, D. C.
May 2-7: Washington, D. C.
May 10-20: Washington, D. C.

The above trips were made in accordance with expressed instructions of officers or the Board of Governors, or, in the case of a few of them, in pursuance of adopted policies of the association. The latter was the case with several trips to Washington, where immediate attention was required to hearings on the reciprocity bill.

The first important trip of the association year was from July 15 to August 17, 1910. During that trip, which was for the purpose of getting more closely in touch with the western affiliated associations, I attended regular or special called meetings at the points named in the above table, addressing those meetings on the objects of the National Lumber Manufacturers' Association, of its relationship to their interests, and learning as best I could

in these meetings and by conference with representative lumbermen as to their special interests and needs. Near the close of that trip, on August 11, I attended a meeting in San Francisco of the sugar and California white pine interests, at which was organized the Pacific Coast Sugar & White Pine Manufacturers' Association, of which Mr. George X. Wendling is president. I attended regular meetings of the Oregon & Washington Lumber Manufacturers' Association, at Portland, Ore.; the Pacific Coast Lumber Manufacturers' Association, at Tacoma, Wash., and the Western Pine Manufacturers' Association, at Spokane, Wash. Other meetings were of branch associations or called especially in honor of the National Lumber Manufacturers' Association.

Since the last annual meeting I have attended regularly called meetings of every one of our affiliated associations, with the exception of the Northern pine, Hardwood manufacturers', Yellow pine and Georgia-Florida associations.

THE PROPOSED CANADIAN RECIPROCITY AGREEMENT

Since the reciprocity agreement with Canada was sent to Congress on January 26 last, my time has been almost entirely occupied combating that measure, either in company with officers and members of the association, or alone. A large number of arguments have been drawn up; a great many circular letters have been prepared and distributed; about seven thousand retail lumber dealers have received a circular letter on the subject, in addition to which every member of the affiliated associations has received several communications; real estate men and other special interests have been advised of features of the reciprocity agreement unfavorably affecting their interests. The dictated correspondence on the subject has also been heavy.

In opposition to the reciprocity bill I have assisted at

Washington representatives of the lumber industry from all the Atlantic coast states and from the Pacific coast and northern border states, which would be especially affected by the enactment of the measure into law. These delegations have made a very favorable impression and have added to the arguments against the bill presented by the agricultural interests and others.

At this time, while it would be unsafe to predict that the reciprocity bill will be defeated, it can be said without reservation that a considerable majority of the members of each house of Congress is at heart opposed to this measure. It agrees with no economic theory. The republican believer in the principle of a protective tariff believes that it is violative and subversive of that principle. The democratic believer in a tariff for revenue feels that no attention has been paid to his theory of tariff revision, of which also it is violative. It was carried by the House of Representatives as a political expedient and if it passes the Senate will do so for the same reason in the one party and because of administrative pressure in the other. The reciprocity measure is chiefly in the interest of the newspaper publishers and therefore has the most earnest support of a large majority of the newspapers of the country which, in return for this recognition of their interests, are giving the national administration a more cordial support than it had received prior to the presentation of the reciprocal agreement. This attitude of the press has made it impossible to get the objections to the bill before a large part of the reading public; yet it is but fair to say that a respectable minority of the newspapers, especially in the northern, central and western states, represents the general attitude of the people of those states by opposing the bill.

HOSTILITY OF THE PRESS TO THE LUMBER INDUSTRY.

The opposition of the lumber industry to the reciprocity bill, of which the most important representatives of

the press are such earnest advocates, has stimulated the hostility of the press to the lumber industry. During the revision of the tariff, accomplished two years ago, the lumber industry failed to support the newspapers in their demand at that time that wood pulp and print paper should be put upon the free list. Ever since that time there has been an especial virulence in the attack of a certain portion of the press against the lumber industry, and now, since our industry opposes the adoption of a measure especially calculated to benefit the newspapers, those attacks have been redoubled.

Nevertheless, a great deal has been gained in the attitude of the public toward the lumber industry. The general public is still to a considerable extent prejudiced against lumber manufacturers because of the misrepresentation of so many of the newspapers; but in some sections of the country and with certain classes of the public there has been a marked change of opinion.

COÖPERATION WITH CONSERVATION LEADERS.

It has been one of my special purposes to bring into closer touch with the lumber producing industry the leaders of the conservation movement, and I feel that I have almost completely succeeded in that effort. This accomplishment has been possible because these leaders of public thought can be reached without the aid of the daily press, and, as leaders, they are for the most part men of open minds, who are willing to consider both sides of every question presented. This is true also as to Congress. In either branch of Congress there are comparatively few who now believe that there is any trust or combination in the saw mill business that controls sales or dictates prices. The leaders in the conservation movement, especially in forest conservation, are with us. We have their sympathy and they will stand by us. In most of the states, especially in the lumber states, the state of-

ficials, conservation boards, etc., feel no hostility to the lumber industry. The foresters, whether in national, state or private employ, and those engaged in forestry and conservation publicity work, are our friends. Their activities are having a marked effect on legislation and in bringing to the public a knowledge of the conditions and needs of the lumber industry. In some of the northern border states, where only two years ago public sentiment was extremely antagonistic, there has been a decided change in sentiment since the terms of the reciprocity agreement with Canada became known.

Since agriculture is asked to accept free trade in its products, thus abolishing a protection of from 20 to 50 percent ad valorem, attention has been directed to the rates on lumber, which also is to be put on the free list. It is seen that lumber's alleged high protection is the lowest extended to any important commodity, and, comparing the rate of duty with the delivered cost of lumber, it is coming to be appreciated by business men and farmers that the $1.25 duty on rough lumber would have little or no effect on prices to the farmer or other retail consumer, and there is, furthermore, because of the facts that have been developed and presented by what means we could, a feeling that the lumber manufacturers are not responsible for any prices to consumers that may be complained of.

During four of the past five years the lumber manufacturing industry was under special investigation by the Bureau of Corporations; during the last year the government investigators have turned their attention from the producers of lumber to its distributors. While our industry is still the subject of inquiry, we appear to be involved in current investigations only indirectly. All this has had a tendency to turn the attention of the public from the saw mill man to the distributer of his products. While we sympathize with those in coördinate lines un-

der special attack or suspicion, and while we hope and believe that no serious or extended abuses will be found in these branches of the lumber business, it is a distinct relief to have the finger of suspicion turned away for the time from our special line.

Bureau of Corporations' standing timber report.

The report of the Bureau of Corporations upon the ownership of standing timber of the United States has been treated so thoroughly in other ways that I do not need to enlarge upon it here; but I do wish to say that students and promoters of forest conservation regret the form in which that report was put out, as calculated to mislead the public and consequently to set back the cause of conservation. Such is the attitude taken by the official publications of the American Forestry Association and the National Conservation Association, and I am glad to feel that to a considerable extent, through my efforts, we are now assured of the active assistance of many of the leaders of public thought and sentiment along these lines in correcting the misconceptions regarding the lumber industry, held by so large a portion of the people.

I have been instrumental in securing the publication of articles in daily newspapers, magazines, weekly journals and in special journals, setting forth facts regarding the lumber industry, though it must be regretfully admitted that as yet a considerable portion of the daily press is closed against us. In other lines than in defense of the lumber industry I have been able to secure the publication of articles in many of the leading papers of the country—notably in regard to the effect which the opening of the Panama canal is likely to have upon the lumber industry, and the necessity of establishing such conditions as to its use that American industry and commerce shall not be in fact discriminated against because of our navigation laws.

RAILROAD LEGISLATION SECURED.

Railroad matters have been given special attention. Representing this association, I coöperated with other interests last year in an effort so to amend the interstate commerce law as to require the railroads to furnish stakes, ties, binders, etc., in loading bulk commodities upon open cars. This effort failed, but we were successful in our efforts to secure a most important amendment to the interstate commerce law, demanded by the shipping public generally, and especially by our own affiliated associations on the Pacific coast, who had in a peculiar degree experienced the hardships arising from first putting a rate into effect and then afterwards inquiring as to its reasonableness. The southeastern lumber industry also had costly experience of that sort.

The officers of the association were able to secure the amendment of Section Fifteen of the Act to Regulate Commerce, which amendment was effective June 18, 1910, granting the Interstate Commerce Commission authority, either upon complaint or upon its own initiative, without complaint, whenever a new fare, rate or classification affecting interstate commerce shall have been filed, to enter upon a hearing concerning its propriety and, pending such hearing and the decision therein, to suspend the operation of such schedule and "defer the use of such rate, charge, classification, regulation or practice" for 120 days beyond the time when it would otherwise have gone into effect, and after a full hearing to make order concerning it; with the further provision that if such hearing could not be concluded within 120 days the Commission might within its discretion extend the time of suspension for a further period not exceeding six months.

The effect of this is to give the Commission power to suspend rates for eleven months from the time they are filed with the Commission. This amendment, known as the Jones amendment, obviated the constitutional ques-

tion involved in a former bill, which gave the Commission the right of unlimtied suspension, which counsel said would mean that no hearing might ever be held and rates therefore be indefinitely suspended, which would be violative of the rights of the railroads. Within the eleven months, however, practically all questions involving the reasonableness of rates can be determined, so that the shipping public and the railroads shall be saved the annoyance and expense of cancellation of rates after they have been in effect, together with the necessary refund on unjustified advances.

Another important amendment of this section placed the burden of proof as to the reasonableness of increased rates upon the carrier, and another gave the Commission authority upon its own initiative to establish through rates, joint classification and maximum joint rates.

APPOINTMENT OF RAILROAD COMMITTEE.

Certain details of railroad operation have been under consideration by the Manager's office, which called a meeting of lumber traffic men, held in Chicago, February 8 and 9, of this year. This was a meeting independent of the National Lumber Manufacturers' Association, and held simply under its auspices. At this meeting consideration was given to railroad weights, claim methods, etc. This and other matters, suggested to the Manager's office by various associations or individual lumbermen, lead me to make the suggestion that at this meeting there be authorized what may be called a "railroad committee," to be composed of members of our affiliated associations who are particularly in touch with the railroad matters and who can initiate policies to be backed by the association, the work to be carried on by the management. Some of the affiliated associations have well organized railroad departments or freight bureaus which are doing excellent work in their respective fields and in behalf of

their special interests. It has been the policy of the National association to avoid subjects of a competitive character and not to interfere with the affairs of its members, and it is in the interest of economy not to duplicate the work already being done; but a railroad committee should be able to decide how the National association shall handle railroad questions of National scope, and how to collate and utilize much of the information secured by the local organizations, and generally be in a position to handle matters of interest to all of us.

COMPARATIVE RAIL FREIGHT RATES.

By direction of a meeting of the Board of Governors, held October 25, 1910, I employed Mr. H. R. Knight, experienced in freight rate matters, to do certain special work decided upon by that meeting. He has been engaged in a compilation of comparative freight rates as between lumber and other bulk commodities. I present herewith a brief statement by him of the work that he has been doing:

The traffic work that is being done in this office comprises the making up of rate statements covering rates on lumber and various commodities analogous to lumber. These statements are made up in radial groups, each covered by separate tables. The rates to and from certain central points are given to points surrounding them at a distance of from 150 to 3,400 miles. Taking the Chicago group as an illustration, a comparative statement is made showing rates on lumber, coal, wheat, corn, stone, cement and iron, with Chicago as a base, to and from Missouri river points, Ohio and Mississippi river points, northern and western points, and Central Freight Association territory as far east as Buffalo. Other groups are formed with Minnesota Transfer, St. Louis, Kansas City, Cincinnati, New Orleans, Atlanta, Buffalo, Seattle, San Francisco, Jacksonville, Norfolk and Boston as bases. In the aggregate these groups cover the entire country. It is the intention to have all the statements printed and distributed among the members of the association. The work has been retarded by the railroads' inability or unwillingness to furnish tariffs covering various commodities in the different sections of the country, especially prior to the decision as to the general advance asked by the railroads.

National Lumber Manufacturers' Association

LUMBER BEARS HIGHER FREIGHT RATES.

In making up comparative statements of rates in groups on lumber and various analogous commodities the fact is developed that the rate on lumber is higher in proportion to its value than on other like articles. For instance, between Chicago and Kansas City the lumber rate is 16 cents, and the freight charge on an average car $64. The wheat rate is 12 cents, and the freight charges $48 a car. The corn rate is 11 cents, and the freight charge per car $44. The bituminous coal rate is 11¼ cents, and on the average car the freight charge is $45. The cement rate is 12½ cents, and on the average car the transportation charge is $50. About the same differences in rates apply from other points in the Chicago group; also in practically all the other groups completed.

I have been instructed to take note of the differences in the rules and regulations covering classifications, stopping in transit, diversions, reconsignments, etc. I find there is practically no uniformity in these matters. The charges for service vary, collection charges are different and no comprehensive or systematic effort seems to have been made to bring about a uniform basis for such charges.

Rules for stopping in transit to complete loading or for partly unloading have been taken up by the railroads comprising the Central Freight Association and the chairman instructed to summarize the situation and submit an advice letter to all members for their views.

I find there is quite a difference in the number of articles taking lumber rates and destined to different localities, the number being limited to some territories and increased to others. This matter also has been taken up by the Central Freight Association.

There are many peculiarities in the classifications of lumber items, certain woods in some sections being given a higher or lower rate than other woods presenting no apparent difference in conditions.

The allowance for 500 pounds for car stakes and standards is provided for in the Official and Western Classifications and is not in the Southern, though the southern railroads in their exceptions to classification provide for an allowance of 500 pounds for stakes applied to lumber only. Some of the roads in the Western classifications provide in their tariffs that the rates shall apply on lumber; others to lumber and logs; others to forest products, and others to forest products except logs. There is also a great difference in the carload minimums for lumber, both state and inter-

state, ranging from 20,000 to 40,000 pounds, according to the size of the car and the territory.

You are no doubt aware of the conditions as thus briefly outlined, but they are brought to your attention with the idea that some action might be taken by the National Lumber Manufacturers' Association to bring about an orderly and defensible basis in all matters pertaining to lumber traffic.

FOREST PRODUCTS OF THE UNITED STATES.

Within the last week the final report of the Bureau of the Census, compiled in coöperation with the Forest Service, on the forest products of 1909 has been issued. It shows for the United States an aggregate of 48,112 active mills, which produced 44,509,761,000 feet of lumber, valued at the mill at $684,479,859; 3,703,195,000 lath, valued at $9,963,439, and 14,907,371,000 shingles, valued at $30,262,462.

Without burdening this report with many detailed figures, I will give the production for the states which produced over a billion feet of lumber during 1909:

State.	*M ft. B.M.*	*State.*	*M ft. B.M.*
Washington	3,862,916	Alabama	1,691,001
Louisiana	3,551,918	Minnesota	1,561,508
Mississippi	2,572,669	West Virginia	1,472,942
North Carolina	2,177,715	Pennsylvania	1,462,771
Arkansas	2,111,300	Georgia	1,342,249
Virginia	2,101,716	Tennessee	1,223,849
Texas	2,099,130	Florida	1,201,734
Wisconsin	2,025,038	California	1,143,507
Oregon	1,898,995	Maine	1,111,565
Michigan	1,889,724		

The other states following the above in order are South Carolina, Kentucky, New York, Missouri, New Hampshire, Idaho, Indiana and Ohio, all of which produced over 500,000,000 feet each, with the remaining states of less importance.

LUMBER PRODUCTION BY KINDS OF WOOD.

Of this total quantity the membership of our affiliated associations represents nearly fourteen billion feet, or

substantially 32 percent of the whole. The leading woods whose production during 1909 exceeded 400 million feet were as follows:

Kind of Wood.	*M ft. B.M.*	*Kind of Wood.*	*M ft. B.M.*
Yellow pine	16,277,185	Cypress	955,635
Douglas fir	4,856,378	Yellow poplar	858,500
Oak	4,414,457	Red gum	706,945
White pine	3,900,034	Chestnut	663,891
Hemlock	3,051,399	Redwood	521,630
Spruce	1,748,547	Beech	511,244
Western pine	1,499,985	Birch	452,370
Maple	1,106,604		

The above does not include certain woods of exceptional importance in the locality where they grow, like basswood, cottonwood, larch and sugar pine.

Anyone can obtain a copy of this report from the Forest Service, or from the Government Printing Office at Washington. This report is undoubtedly the most complete ever made as to the lumber industry in its various branches, for it shows many more mills than ever before and embraces not only lumber, lath and shingles, but more or less exhaustive reports on cross-ties, pulpwood, tanbark, cooperage stock, poles, cross-arms, chemical wood, etc.

REPORT LACKS CURRENT VALUE.

While the reports of the Census on the lumber industry are extremely valuable from a historical standpoint and as serving as a check on later estimates by the lumber industry itself, they lack current value. Even the bulk figures as to lumber cut by states and woods were not had until practically a year after the close of the year which they covered. Stocks on hand are not covered at all by the government figures, and, therefore, it seems important that these figures should be supplemented by those of current value, which might be procured by this association. I also hope it will be possible to accelerate the work of the Census Bureau so as to secure the leading figures more promptly after the close of the year covered by them.

NATIONAL ADVERTISING CAMPAIGN FOR FOREST PRODUCTS.

While the figures show no decrease in the lumber product of the country—though it is probable that there has been an actual decrease since the high mark of 1906 and 1907—it is evident that forest products are unnecessarily losing ground in favor of certain substitutes. Some of these substitutes for certain purposes are in the interest of more permanent construction and of real conservation, but to a very large extent lumber is being sacrificed without any genuine benefit to the public. We have sought in the past to remedy this matter by advertising the merits of certain kinds of wood for certain uses. Thus, yellow pine, red gum and cypress have been the subjects of special advertising campaigns. These campaigns have been effective, but as one wood after another adopts the same policy the movement degenerates into a war of woods until the public is likely to be confused and, so far as it can, discard all woods in favor of something else. Within a few weeks it has been proposed that lumbermen generally, through the National Lumber Manufacturers' Association, should begin an advertising campargn in behalf of wood against its substitutes—a campaign designed to place before the public the merits of wood, its adaptability to certain uses and its superiority to many of the substitutes now being proposed and used. This subject will be very forcibly and attractively presented to this meeting.

I wish to thank the officers and members of the Board of Governors of the association for the cordial and prompt support they have given me and for the friendly feeling displayed to me personally, but beyond that I wish to thank very many of you gentlemen personally, and should include practically all of the members of the affiliated associations, for the way in which you have responded to my appeals for information and assistance during the year. I also desire especially to mention the

officers and secretaries of affiliated associations, with whom my relations have been most pleasant. The spirit shown by officials and private members alike is worthy of an association national in its scope and purposes and which represents one of the great industries of our country.

Report of Conservation Committee

PRESIDENT HINES: The next in order is Mr. Smith's report, our Secretary. We hoped he would be here today, but he could not get here today, so we will have his report tomorrow. Are you ready to report, Mr. Freeman?

J. A. FREEMAN: Mr. President, I will have the report of the treasurer ready tomorrow.

PRESIDENT HINES: Next on the program is Reports of Standing Committees. Captain J. B. White, Chairman of our Conservation Committee, who has given so much of his time and energy not only to our association work but to the general cause of conservation, is now enjoying a deserved and much needed rest in Europe, and while from a selfish standpoint we regret not having him with us, we are glad that he consented to take a vacation and hope that he will return to us much refreshed as the result of his trip. The other members of the committee are Messrs. R. A. Long, William Irvine and J. A. Freeman, who are with us this morning and in the absence of the Chairman and his inability to prepare a report before leaving, may have some report to submit.

Report by J. A. Freeman

MR. FREEMAN: I have no report in particular to make, Mr. President. In the absence of Mr. White, I want to express both a regret and possibly a pleasure, because I don't know but that I might say a few things about the subject of conservation that I might not dare say if Captain White returns, unless Captain White shall have had a similar experience to my own and his observations in the foreign countries, possibly, mellow down a bit of his enthusiasm along that line, as it has mine.

This is a question, of course, that we have threshed out and talked about a great deal, and almost everyone either has the opinion that he knows all about it or else has come to the other wise conclusion that he does not know anything about it—probably that is pretty nearly right. It is a very old question, but I am persuaded of two or three things: that the conditions for ideal conservation in our country are somewhat embarrassing.

To begin with, it is not in the air enough; our people haven't got there yet. When I rode along one day in the southern part of Italy and saw a large lime kiln under full blast, that was being fed by the trimmings of grapevines, olive and orange trees as the fuel with which to burn the abundant limestone, I concluded that they had reached a point at which they could think and talk about conservation, and when I saw the people in most of those cities saving their wood, buying a few twigs with which to cook their meals, I again concluded to the same effect; and when I went through the Black Forest, which I had always dreamed was one of the wonders of the world, and one of the most magnificent forests on earth, my heart went down again.

IN THE BLACK FOREST.

I hunted up a saw mill. I said, "Now is my opportunity to see a real saw mill." I finally discovered one. I went into it and the mill was under full operation. The first operation was that the sawyer stepped off from his stool at the place where he should be and picked up one end of the log, and another man picked up the other end of the log and they loaded it on to the carriage. They started the machine out and cut a board eight inches wide and twelve feet long in just eight minutes by the watch. I concluded that the saw mill part of it was not encouraged very much there.

Germany is making an effort, after having destroyed all the timber they had, by six or seven hundred years of gentle

usage—they are now making an effort to grow some trees. Most of the trees that you see there are manifestly those that have been planted, as they are in rows, etc. But there is one notorious fact, namely: I did not see a single place in any country I visited where they were attempting to grow a tree where they could grow anything else; and that struck me as something worth thinking about in our own land. We have lands undoubtedly that are better fitted for the growing of trees than anything else. But we have lots of lands that we have been urged to grow trees upon that will grow a great many crops of good things to eat before a tree will be of any value.

Now there are only two factors in conservation; one is to conserve or economize or save that which we have, and the other is to reproduce for future use in place of what you destroy. Now, the whole question of conservation is wrapped right up in those two points, I think.

The second one, of the regrowth, is a serious one and worthy of much consideration. It is a good thing for us to agitate it, and for us to have people who agitate it from the fine standard of theory, and a few people probably will finally agitate it from the standard of actual practice.

CONSERVATION BY UTILIZATION.

Now as to the conservation or the saving of that which we have, there is only one way, of course, in which that can ever be done, and that is by making it worth saving. People don't save things that are not worth saving. Now, that is one way of conserving what we have, but we are confronted with a very tremendously ridiculous condition of things. Our great and wise and good government has established a Forestry Department whose duty it is to induce the lumberman very carefully to conserve his forest, to cut only the trees that are worth cutting and to see that another is growing, possibly; but he should only cut, from the logic of the thing, just such an amount as there is practical

use for. Now, that comes pretty near being curtailment. (Laughter.) In steps another department of the government—they have it in three departments; another department of the government steps in and investigates the whole condition and discovers that somehow or other, the processes of nature working out themselves, a few men have got the thing in such a shape that their timber will be saved. That is looked upon by the public at large, whether intended so or not, it is looked upon by the public at large as a most terrible indictment against every man that owns a tree.

INCONSISTENCIES IN THE PUBLIC DEMAND.

Now I would like to know how on earth you are going to reconcile the two positions—that you must not cut any more lumber than the country will consume—but if you don't cut more lumber than the country will consume "We will send you to jail." (Laughter.) That is just about the situation that we have to confront. (Applause.)

I think that is a view of the question that it is well for lumbermen to study over. I submit that if that be true, that it is about time that we either convinced the government that they are following the wrong kind of tactics in dealing with us, or else we are liable to lose our great interests in very much effort on the part of the government.

At one time I asked Mr. Pinchot the question in a gathering we had, if he valued in his department coöperation of the lumbermen. There are some gentlemen here who heard me ask that question, I think, and Mr. Pinchot's answer was, "We certainly do. We have no hopes of any success without the coöperation of you people."

Now if the United States Government are green enough, or the officials are green enough, to imagine that they are continuously going to have the coöperation of a body of lumbermen that they are tormenting to death, and traducing and trying to corner in every possible way they can, I think

it is a greater contract than they have any right to expect.

So I am frank to confess that I sometimes lose a whole lot of interest that I have had in the past in the matter of conservation.

I have enjoyed the privilege of being on this Conservation Committee a number of years and I have tried to arouse myself to all sorts of heights and pitches of enthusiasm; but when I see the whole trend of things I lose heart in it. I don't want to be a pessimist on Brother White's good ground, and I do not want in any way to injure the interest that lumbermen ought to take in this matter, but it is just as well, when we have these questions, to confront them, and if they be facts do something or other to try to bring about a betterment of them. (Applause.)

Resolution on Memorial to J. E. Defebaugh

President Hines: The next on the program is a report of the Committee on Memorial to James E. Defebaugh. This committee was appointed at New Orleans last year, to consist of the President of each of our affiliated associations, of which Mr. L. K. Baker is chairman.

(In the absence of Mr. Baker, the resolution of the committee was presented by Mr. J. E. Rhodes.)

The committee to which was left the recommendation of a memorial which would be suitable to express the esteem in which the memory of the late J. E. Defebaugh is held by the lumbermen of the United States, have most carefully considered the matter from every standpoint, and beg leave to report that we feel that the testimonial in recognition of the life and work of James Elliott Defebaugh will be most fitting if it is associated with the Christian organization to which he gave so much of his time and efforts, for not the least of his influence among his fellow men was his devotion to the religious faith of his choice, and his high Christian ideals.

We therefore recommend that a memorial window be

placed by this association in the Forty-first Street Presbyterian Church, of the City of Chicago, an institution to the upbuilding of which Mr. Defebaugh devoted many years of earnest and conscientious effort, and in the welfare of which he was so greatly interested.

We cannot think of any more fitting or appropriate testimonial than this, and therefore recommend further that the cost of the same, not to exceed $2,000, be appropriated from the general funds of this association.

Charles S. Keith: Mr. Chairman, I move the adoption of the resolution.

(The motion was seconded by several and, by a rising vote, was unanimously adopted.)

Yale Forest School Endowment

President Hines: In the absence of Mr. Weyerhaeuser, Mr. Rhodes, are you ready to make a report on behalf of the Yale Forest School endowment committee?

Mr. Rhodes: Mr. President and Gentlemen: it gives me great pleasure to say that the full sum of $100,000, which the lumbermen undertook to raise some four years ago for the endowment of the chair of "Applied Forestry and Practical Lumbering" in the Yale Forest School has now been completed, and we will very soon tabulate the list of subscribers and send it, together with the money, to the Yale corporation. (Applause.)

President Hines: I think at this moment that announcement takes a good deal of work and trouble off the officers' minds. It certainly has been a hard task to bring about the last few thousand dollars of that fund.

Appointment of Committees

President Hines: I will now announce the appointment of the following committees:

AUDITING COMMITTEE.

C. A. Barton, Chairman.....Minneapolis, Minn.
R. H. Vansant.....Ashland, Ky.
Paul E. Page..... Buckley, Wash.

CREDENTIALS COMMITTEE.

Edgar Dalzell, Chairman.....Minneapolis, Minn.
C. A. Smith.....Marshfield, Ore.
G. von Platen.....Boyne City, Mich.
S. M. Bloss.....New Orleans, La.

Appointment of Committees

F. E. Waymer.....Pauway, Fla.
J. P. McGoldrick.....Spokane, Wash.

PRESS COMMITTEE.

Douglass Malloch, Chairman.....Chicago, Ill.
H. H. Gibson.....Chicago, Ill.
J. W. Gatewood.....St. Louis, Mo.
James Boyd.....New Orleans, La.
J. W. Long.....New York City.
B. Arthur Johnson.....Chicago, Ill.

RESOLUTIONS COMMITTEE.

W. B. Stillwell, Chairman.....Savannah, Ga.
C. D. Johnson.....St. Louis, Mo.
J. H. Bloedel.....Bellingham, Wash.
J. Lewis Thompson.....Houston, Tex.
A. L. Osborn.....Oshkosh, Wis.
William Deary.....Potlatch, Ida.
A. T. Gerrans.....Houma, La.
C. C. Bronson.....Seattle, Wash.

NOMINATING COMMITTEE.

George X. Wendling, Chairman.....San Francisco, Cal.
W. A. Gilchrist.....Memphis, Tenn.
J. B. Conrad.....Glenwood, Fla.
S. J. Carpenter.....Winnfield, La.
J. P. McGoldrick.....Spokane, Wash.
C. C. Bronson.....Seattle, Wash.
C. I. Millard.....Norfolk, Va.
Frank Ward.....Bay City, Mich.
W. C. Landon.....Wausau, Wis.
S. M. Bloss.....New Orleans, La.
Edgar Dalzell.....Minneapolis, Minn.

George X. Wendling: Mr. Chairman, will you designate the time and place of the meeting of the Nominating Committee?

President Hines: Yes, say at 7:30 this evening in club room 6.

Mr. Wendling: That is satisfactory.

President Hines: Gentlemen, the Committee will convene this evening in club room 6, at 7:30. It would be well for the Chairmen of the several committees to fix a definite time and place for meeting.

Mr. Stillwell: I would like the Committee on Resolutions to meet in this room for a few minutes, after adjournment. I would like to ask also that any resolution to be submitted, be handed in as early as possible.

Addresses of Presidents of Affiliated Associations

PRESIDENT HINES: A feature of the meeting last year at New Orleans, which was very interesting and profitable, was a series of short addresses on behalf of the affiliated associations. The first will be by Mr. J. B. Conrad, president of the Georgia-Florida Saw Mill Association.

The Georgia—Florida Saw Mill Association, Inc.

J. B. CONRAD: Mr. President and Gentlemen: I am one of the representatives from the Georgia-Florida Saw Mill Association, a little association in the extreme southeastern part of the United States. Georgia is well known as a yellow pine producing state. Florida, probably, has not that same distinction in that class of lumber, but you all know it by its being the home of the Suwanee river, and the Florida orange, and a few alligators. We have been progressing along nicely down there, with our association, and we feel as if we have finally got together where we are not a "trust," as we are termed, but where we can trust each other some. For a good many years we did not seem to have confidence in each other, not enough even to explain, or confide one to the other our local troubles, prices and one thing and another, wages we were paying and the like of that; but we are working along lines where we have been more united from year to year. I believe that the only way that any association can work out much good for its members is to get them together and to have confidence in each other. Tell your little troubles, or good fortunes, and one thing or another, to each other.

I believe our present situation today is caused more from over-production than anything else; and I think the time is coming, and soon—in fact, it does not have to come, it is here—when we have got to work along the line of curtail-

ment, if we ever wish to get a price before our timber is practically exhausted.

It would seem that with all of the money that is invested in the lumber business in the South it certainly ought to be a profitable business; but it has not proved that for the last three and a half years in the yellow pine section, and particularly in our part of the country. While it is true some men have made money, they have had local and other conditions that others have not had. The majority of them have about got paid for their stumpage, and hardly what that would be worth if they had to go out and buy it today. I think the only way for us to succeed in the way we ought to is for all of us to stand together and work as a unit so that we can accomplish something; and unless we do, I can't see anything very bright in the immediate future.

It seems as if all other industries for the last three or four years, or most of them, have had prosperity; whereas we have practically had the worst three years and a half that I have ever seen in the yellow pine industry. While our prices are not what they were two years ago, other conditions are so much better and the cost so much greater on everything else, it has cut the profits down until, in lots of instances, there has been no profit whatever.

I thank you, gentlemen. (Applause.)

Introducing James A. Emery

PRESIDENT HINES: One of our invited speakers has just informed me that he is in receipt of a telegram obliging him to leave, so with your permission, I will change the regular order of the program.

A subject to which the lumber manufacturers for many years have given special attention, is that of Employers' Liability, and the compensation of workmen for injuries received, or deaths inflicted in the course of their employment. This subject has been forced upon us in two ways—from the outside, and from the inside. We are peculiarly the subject of vexatious and unjust suits, and are attacked by laws, which some-

times have little regard for the equity of the matter. On the other hand, we are interested in our workmen and are often shocked by the fact that moneys we pay, either as a result of direct suits or through the liability insurance organizations, and which perhaps on the average are not in excess of the amounts that ought to be received by the injured workman, or by the families of the deceased, are to such a large extent diverted to the pockets of the lawyers or the insurance companies, or both.

Some of our assocations have defined their views on this matter, but I do not know that the lumber industry has come to any universal agreement.

I do know this, however, that we are anxious to have laws enacted in all the lumbering states, which shall be, if such a thing is possible, equitable to employee and employer alike, which can be enforced with the minimum of cost, so that the money we pay, and that we should pay, will go to the relief of those to whom it belongs. This subject has occupied legisative attention in a good many states in the last few years, and a number of states have passed acts more or less satisfactory. But these acts are often conflicting. Some of them have been declared unconstitutional; some fail for the relief needed by both employer and employee.

I felt it therefore extremely desirable that a presentation of the progress of the workman's compensation, some analysis of the principles involved, should be presented to this meeting, so that if possible we might direct our energies toward securing state legislation along common and practicable lines. Probably there is no one in the United States more familiar with this subject, with its principles, with legislation at home and abroad, and with the changes in the court made law, than the gentleman who will next address you.

I take great pleasure in introducing to you Mr. James A. Emery, of Washington, D. C., counsel for the National Association of Manufacturers.

Workmen's Compensation in the United States, Its Principles and Progress

BY JAMES A. EMERY, OF WASHINGTON, D. C.

Mr. President and Gentlemen of the National Lumber Manufacturers' Association: I must address you under circumstances of some embarrassment, due largely to the difficulties incident to the presentation of so large a subject in the brief time I dare steal from your indulgence. I am reminded, in beginninng these remarks, of a story told of Henry Guy Carleton, a brilliant son of New Orleans, who left a noble mark among the dramatists of America, but suffered more or less from a serious defect in speech, more troublesome at one time than another. He once met Bill Nye, the humorist, on Broadway, and stopping him endeavored to speak; his lips quivered and after stammering a moment, he said, "Nye, can't you—can't you give me—about twenty minutes. I want to—talk to you for five." (Laughter.)

I feel very much, gentlemen, in Mr. Carleton's position. I shall endeavor to condense a vast amount of investigation, if I can, into a very brief statement. I must presume much upon your general information, for I shall endeavor throughout the discussion to avoid anything like technical allusions, and while I must necessarily dwell upon legal principles, I will endeavor to put them simply and plainly. We are less concerned for the present with technical issues than with certain very broad principles of general application and importance, an understanding of whose character and history are essential to this discussion.

There is a strong temptation to repeat the celebrated error of the distinguished gentleman who wrote "Knickerbocker's History of New York." You will remember that in his elaborate introduction to the history of that city, Mr.

Knickerbocker gave a brief history of the world, on the theory that if the world had not been, in all likelihood New York would not have come into existence; so one, in beginning a discussion of this kind, finds its difficult to know where to start.

The origin of workmen's compensation, as we understand it today, is foreign; it is not a domestic product. It is a result of the social reciprocity in which we engage with foreign countries in the transmission of ideas. It is a large project worked out upon the world's stage through twenty-five years of life in one of the greatest industrial nations of the world, Germany,—a scheme which has received the sincerest of all compliments, that of practically universal imitation by the competing industrial nations of Europe.

It is well, however, in the very beginning, in order to avoid the difficulties into which I fear so many of my fellow members of the profession, and indeed our legislators, so constantly fall, to make a few definitions that will clarify the subject in our own minds.

Definitions of compensation and liability.

By "workmen's compensation," as distinguished from employers' liability, is meant a system in which provision is to be made for fixed limited compensation for substantially all injuries received in the course of employment irrespective of the fault of employer or employe, except such injuries as are either self-inflicted or are due to such misconduct on the part of the injured worker as directly tends to imperil life and limb and to compensate which would encourage recklessness.

I understand by employers' liability a principle of law by which indemnity or compensation for injuries received in the course of employment rests upon the proven fault, actual or imputed, of an employer, or him, who in contemplation of law, is his agent in relation to an injured worker.

The two principles, you will observe, are fundamentally

different. One rests upon some conduct on the part of an employer which makes him liable in pecuniary terms for injury inflicted. The other compensates the injured person irrespective of the relation of any other to the infliction of injury, and indeed, in many cases, irrespective to a large extent, of the relationship of the injured man himself to the proximate cause of injury.

We are familiar in this country, through daily experience, the decisions of our own courts and the fixed and customary relation between employer and employe, only with a system in which liability is ultimately founded upon some relationship of fault to injury. Throughout Europe, where compensation systems have now been generally adopted, the employer becomes, from the standpoint of law, a limited insurer; that is, he assures any person injured in his employ to a limited extent against the pecuniary consequence of his injury. In this country you are familiar with the fact that to redress a work injury an action must be brought, an elaborate and technical procedure followed and, however far we may have gone in fixing the liability of the employer, the proof of fault is, nevertheless, to be given to a jury subject to the instructions of a judge, and to final appeals for errors in law committed in the course of a trial.

Our system has been more generally discussed, analyzed and criticized during the past few years than ever before in its history, perhaps chiefly since our great civil prototype, Great Britain, changed from the ancient practice of seven hundred years of law to the acceptance of what has been rather caustically described by an English critic as "the importation in a raw and highly unmanufactured state of German compensation ideas."

I should like, if I had the time, to go into some little history of European compensation legislation, because it tends to clarify our subject, but the limitations of time forbid any detailed consideration of European systems, and I shall only undertake to place before you, in a simple way, the

underlying principles which distinguish one general school of European compensation from another, and then point out to you the pathway which we have followed in the imitation of one of these.

EUROPEAN LIABILITY AND COMPENSATION SYSTEMS.

Practically all the systems of Europe may be divided into three broad groups; those like Germany, in which personal liability is abolished and in its place is substituted a solvent insurance fund, to which employer and employe contribute and which is administered by its contributors subject to the supervision of the state, and out of which all compensation for injury is paid and to which the employe contributes in the proportion of practically one to four; or Norway, where an insurance fund is administered by the state and raised entirely by tax upon the employer; or in England, where personal liability remains, each individual employer assuming a limited liability for personal injury by accident arising out of and in the course of employment. In all of these systems the compensation claim is adjusted through a simplified procedure.

The English system makes each employer a limited insurer; after the accident occurs it regards the employe merely as a pensioner. It lays upon the employer no duty to administer first aid or to supply necessary medical attendance, nor does it place upon him any duty of accident prevention nor any obligation to do anything except pay a fixed pecuniary compensation as long as the disability continues.

The theory of all these systems is that compensation is to exist coincident with loss of working capacity through injury, to diminish as the disability consequent upon the injury diminishes or to increase if the disability increases, without any time limit save the life of the injured person. It provides, in case of death, for similar compensation for dependents, within certain relationships to the deceased.

Now, this is a far jump, as you can readily see, from the ancient practice of English and American law. It fundamentally divides the system founded upon fault from a system in which the duty of compensation arises from the mere fact of employment irrespective of the fault of either party. A variety of things bar or diminish recovery of compensation in different countries, but it may be substantially reduced, either to self-infliction of injury by the person suffering the disability, or to some conduct on his part which it is necessary to penalize in order to secure the higher social benefit which underlies all just and equitable compensation legislation, the prevention of accidents.

In the German system mutual effort for the prevention of accidents is assured by requiring the contribution of both employer and employe. Both are thus equally and pecuniarily interested in reducing the number of accidents, since the taxation which both pay by contribution to the central fund, is dependent upon the number and character of the accidents occurring in a particular industry each year, and within that by the individual record of separate establishments so that it is within the power of employer and employe to decrease their tax rate each year by the attention and care which they give to the prevention of accidents, either by the adoption of safety appliances or by practical rules and regulations or by conduct that tends to the prevention of accident.

SYSTEM MOST SUCCESSFUL IN GERMANY.

Systems of compensation are general throughout continental Europe, but nowhere so completely nor successfully applied as in Germany. You observe at once that the German theory is distinguished immediately from the English system, which pays no attention to cause of accident, except through general factory laws. It fixes no duty in its compensation legislation, but merely makes the employe the pensioner of the employer. The German scheme is vitally

different. It has eliminated the personal liability which still exists in England, in an extended form. Substituting for it the duty of contribution to this fund, the employe no longer looks to the employer for relief; he looks to the fund, and the employer is as greatly interested in seeing that his employe is compensated from that fund as is the employe himself. Thus the German system eliminates a serious evil daily experienced in the practical working of our present system—the creation and maintenance of personal antagonism between employer and employe through the circumstances of litigation. In our own country this feeling has been increased by the legislation through which we have sought to secure the more certain compensation of the employe by increasing the personal liability of the employer until, in some states, we have practically made him an unlimited insurer, his customary defenses having been practically stripped from him until the jury merely becomes an assessing body to determine how much shall be paid, the functions of the judge are diminished and the jury given larger and more exclusive control of the assessment of damages. Such has been the system which we have pursued in increasing the personal liability of the employer to the point of unlimited insurance as in the state of Ohio.

The consequence of such radical legislation is to increase the personal antagonism between employer and employe. The former is exasperated by a sense of deep injustice; the latter recovers no more easily, for defense becomes frequently more determined from a sense of self preservation.

In the second place, such legislation has contributed to increase the evident waste in much private liability insurance. The employer, and especially the large employer, undertakes to distribute his liability through insurance, in order that the shock of the primary burden may not fall too heavily upon his shoulders, but may be distributed. The employers' liability insurance companies have not been an entirely satisfactory vehicle for the carrying of such insuaance; in fact,

we can say, generally speaking, throughout the United States, from the best figures obtainable, that out of every one hundred cents paid in the form of insurance premiums for employers' liability, that, generally speaking, not more that forty cents at the outside gets to the injured employe, the remaining sixty cents being the cost of administration, profit and the risk. In several states the average is much lower than that. The German system is highly efficient, between 87½ and 90 percent of the total sum contributed reaching the injured worker.

Finally, one of the chief objections to our existing system is the serious and constant delay of relief. Every lawyer is familiar with cases which have extended over long periods of time, during which, the injured employe's working capacity being wholly or partially destroyed, he and his family are in critical need. Relief then delayed is relief denied.

RISES BEYOND INDIVIDUAL CONTROL.

The German compensation theory as distinguished from the English—and I refer to them as two broad schools of European thought—is that the economic consequence of injuries received in the course of employment threaten a serious social evil, an evil largely social and not individual in its origin, inasmuch as the risk arising out of the way in which the world now does its work is largely controlled by conditions which individuals cannot overcome. No man could engage in your industry without employing the most modern appliances if he hoped to succeed in the competition which he must meet. Employers have but a limited choice in the selection of the forces and machinery which they will use in their respective industries. To be a successful competitor an employer must use the mechanical powers that are generally employed in the industry in which he engages.

The world has become dependent upon the employment of a vast number of tremendous forces that stirred the

superstitious fears of our ancestors. There is an ever-increasing use of machinery and appliances, and they creep daily into employments in which, under simpler conditions of production, their use was entirely unknown.

There is, therefore, a risk existing today from the way the world does its work which was unknown fifty years ago, and that has increased with modern methods of production and the use of novel forms of power, and will of necessity become greater and not less. This condition has attracted the attention of thinking men everywhere. Fundamentally, the European philosophy of compensation realized this inherent hazard of modern work for which the common law could give no relief but let the consequence of injury rest entirely upon him to whom it occurred. The compensation theory sought to rest that burden upon the employment in which it occurred, believing it might then be distributed as a charge of production upon general society, whose agents, employe and employer, are in the production of the world's necessities.

Now, the use of all this machinery, the continuous existence of these hazards, is within the control of individuals only in a limited sense, so that when every reasonable precaution has been taken there still remains a large element of risk that expresses itself in what we term unavoidable or unpreventable accidents. The German statistician, who figures out everything under the sun and much that is beyond it, has calculated from year to year, under the wonderful system of statistics which the administration of the German system has originated and maintained, and which is absolutely essential for its successful administration, that taking all the accidents reported in a year, substantially 43 percent are due to the hazard of the industry and are of the unpreventable or unavoidable type, while about 29 percent and a fraction are due to the fault of the employe, 17 odd percent to fault of the employer and about 10 percent to common fault of both employer and worker.

Now, the German system has endeavored, in the tax or burden which it lays on the employer, to express a proportion of contribution that will substantially be equal to the responsibility of the employer, for injuries measured in terms of his assumption of the risk incident to the operation of the industry, or the hazard of the trade, plus that 17 percent due to his own fault, and the 10 percent due to the fault of himself and his employe, while the 29 percent due to the fault of the employe is substantially represented in the amount contributed under the German system by the employe. In England they have undertaken to make the employer the primary and exclusive agent of society in the distribution of the risk, on the theory that he could stand the burden somehow or other, and that he could distribute it through an added charge for the commodity and thus collect from society.

FUNDAMENTAL PRACTICAL DIFFICULTIES.

It must be evident—and we are discussing these theories in terms of general principles, as we haven't time to consider details—it must be evident, that, in the first place, however we may sympathize with the general idea, however attractive the philosophy is, however true the fundamental principles upon which it rests, nevertheless, there are at the outset fundamental, practical difficulties that must be immediately faced in any compensation system if it is to be one which the industry can support. I mean by that, one which the industry can stand without breaking its back, and obviously the first thing we must realize is that the employer in any industry cannot bear an indefinite burden. How much he can bear depends entirely upon the circumstances of the industry; but there are certain general principles that seem very obvious in their application. He cannot, in the first place, endure a primary cost added to his present cost of production, which will destroy his power to compete. In the second place, he obviously cannot stand a charge that

will add to his primary cost such an amount as will, by unduly increasing the cost of production, seriously lessen the consumption of his product. A substantially non-competitive industry can obviously distribute any burden placed upon it much more easily than one engaged in close competition; so that as you come down the scale from the practically non-competitive enterprise to the industry with sharp competition, the burden which can be primarily borne is less, and it becomes more difficult to distribute it.

And now, with these elementary considerations before us it must be obvious that in any country anywhere, where most men earn their living by satisfying the wants of others, a compensation act in which the primary charge upon the employer is too great, in the first instance, must fall through the employer injuriously upon the employe, either in form of reduced wages or reduced opportunity for employment, or insolvency or serious injury of the employer. The man who, encouraged and under the impulse of profitable industry, is making two jobs grow where one grew before.

So much for the underlying principles then that must meet us at the outset. But we must carry with us still another idea that brings us back to the comparison between the German and British systems as representing two schools of European thought. One, as I have said, does away with personal liability and substitutes in lieu of it a solvent insurance fund out of which compensation is paid; the other merely extends the personal liability until the employer becomes a limited insurer, responsible in a personal action to his individual employe. The German system provides at the outset for immediate medical attention, makes it compulsory upon the employer to give it and upon the employe to accept it, and it is incumbent upon the employe to report the most trivial injury so that ignorance and neglect may not permit trivial injuries to degenerate into serious or permanent disabilities. The German system provides a man with a form of insurance against loss of working ca-

pacity and puts him back on his feet at the earliest possible moment, retaining his self respect by making him a contributor to, and, therefore, a rightful possessor of the benefit which he draws. The English system considers the injured worker only as a pensioner, liable to become a charge upon the state, and who must, therefore, be relieved by the employer to save the state from the burden of his support. The English system is thought out in terms of its poor law. The suggestion of charity or relief for dependency clings to it like burrs to a beggar's rags.

BASIS OF GERMAN THEORY.

The German system rests fundamentally upon the theory of increasing the national efficiency, taking from each man's mind, so far as it can, the fear of that hour when he may lose his working capacity by making provision for care during that period that will at once be sufficient to care for his needs at the time, yet will not make him a pensioner, will not create in his mind by the form in which the assistance is given a sense of dependency, but will preserve at once his self respect and his independence, things which in our country we regard as one of the chief assets of American character.

The German people have made up their minds, as have practically 300 million of Europeans, that the end sought is one highly to be desired and essential to the public welfare; and it is an astonishing fact, that while Germany placed this great additional burden upon her back in competition with the industrial nations of Europe, the period of her greatest growth, of her emergence into industrial leadership in Europe, is the period during which this remarkable system of social insurance was put into force, and every competing European nation has not found it to its advantage to fight the industrial battle without a similar handicap. Each apparently found it to its advantage, expressed in terms of competitive industry, to embrace a like burden, to likewise improve the

condition of its own workers by making provision for work injuries of a fixed charge, leveled upon all industry and, scientifically and systematically,—defined through forms of mutual insurance,—subject to public supervision in such a way as to let the final shock of all industrial injuries fall upon society, so that, as a French writer has put it, the great burden of personal liability is dissipated in the dust of social insurance.

Now, we have watched, from across the water, the growth of this movement in Europe; we have heard the professor from the college platform, we have heard the labor leader insisting that as a matter of right and duty the employer ought to be personally, civilly or criminally liable for every injury which is received in the course of industry; we have heard the politician striving, without a thorough understanding of the philosophy that lies at the bottom of the gigantic social scheme, undertaking to write a bill upon a subject on which he would hesitate to write an essay.

In any form in which the philosophy is set forth in our country we find that it rests primarily upon a recognition of the failure of the present system to adequately adjust liability for personal injury in employment so as to meet either modern conceptions of personal responsibility or with sufficient flexibility to bend the common law to the vast and revolutionary changes of modern industry. Judges of our supreme courts, lawyers high in their profession, social students, college professors, practical business men, coming in every-day contact with this problem in every form, have all agreed that a change is a thing devoutly to be hoped for and that it would be welcome if we could substitute a system in which there would be a scientific and systematic assurance of compensation for every injury, in the belief that if it were worked out with knowledge and equity the ultimate cost would not be so much greater than the total charge, which is so awkwardly and unprofitably paid.

THE UNJUST AND UNECONOMIC AMERICAN METHODS.

To illustrate on a broad scale the unbusinesslike way in which we carry these risks, the reports for the last year of the Insurance Commissioner of Connecticut indicate forty-nine insurance companies doing business in the state of Connecticut, and reporting that throughout the United States they are recovering 26½ million dollars in annual premiums for employers' liability insurance, and that they paid out in claims, substantially speaking, about $9,000,000 during the past year. In other words, to make it as unpleasant as possible to a methodical and systematic business man, it is costing us, under the present system of carrying these risks upon the face of such figures as that, 17½ million dollars to administer nine million dollars. What satisfaction do you get from such a condition? The employer is exasperated by a continuous sense of injustice—a continually increasing personal liability for accidents, a great percentage of which he cannot personally control and which occur in spite of the exercise upon his part of the highest care suggested by practical experience. The employe is dissatisfied because he suffers injury and finds it difficult, in the grossest of cases, to get ready redress that will supply him with relief while the want exists. Society suffers because the friction continually created between employe and employer in this method of redressing work injuries, is salt rubbed into the industrial wounds of society. It is wasteful; it is uneconomic; it is unsatifactory; it is unjust. No wonder that judge after judge of our highest courts, with a broad experience in the administration of law, has said that we ought, in that department of human litigation, to endeavor to substitute in lieu of the social evil that exists this scheme of compensation by which this social evil arising from injuries received in the course of employment can be remedied. We have and are continuing to experiment with so-called compensation legislation, but it seems to me

in our present endeavors we are overlooking three things: what it is that the prototype to whom we look, like the European nations, have done; why it is they did it, and finally we have failed, as Americans, to translate what they do into terms of American law and institutions, because, gentlemen, we cannot Gallicize, we cannot Germanize, we cannot Anglicize this country. We may better our legal system, we can learn from the moral of an experience not our own, we can take examples and precepts from every country in Europe, but we cannot take bodily into this country an alien system. We must translate it into terms of American experience and accommodate it to American working conditions, to American thought, traditions, customs and mode of life.

Now, what have we done? We know why Europe acted. It perceived a social evil arising from the administration of its legal system and endeavored to eliminate it by the substitution of a new plan. That was the underlying thought. But how was it accomplished? These states did not extend the personal liability of the employer so as to make him liable as for a tort or a wrong; for something that he could not, in his own person nor through his own agent, control; they did not thrust into the contract of service between employer and employe a new term that made the employer liable in damages for accidents which he could not control. They did not create a new *private* relation between employer and employe; they did not give to the employe a new remedy or a new redress as for a wrong inflictd by the employer. On the contrary, they analyzed the evil in terms of social welfare, regarding the effect of its operation upon the state as a whole, and they thought it out and worked it out in terms of social and not individual responsibility. They did not create a new *private* relation between employer and employe. They created a new *public* relation between employe and employer and the state. They gave to each a new duty to the state,

not a new duty or a new liability to each other; and that new duty was expressed by placing upon each the duty of contributing to a fund which insured compensation, while from the injured man was taken his right of action which he formerly possessed, or it was left to him in such limited form that its exercise became practically impossible or unlikely.

OUR FUTILE LEGISLATION.

But what has been our legislative conception of the compensation theory? Instead of following the characteristic suggestion of European movement, the creation of new public duty as a substitute for private relations, we have endeavored, as witness the state of New York, to extend the private relation between employer and employe and make the employer personally liable, as for negligence, for injuries unavoidable and unpreventable, that no human agent can foresee and no human precaution can prevent. We do not seem to realize that in doing this that we were undertaking to do violence to private relations under a system of government in which the legislature is not free to work its will upon the people. We approach legislation on this and all other subjects at an entirely different angle from the European nations. A constitutional monarchy knows practically no restriction of a written nature. England, in the words of Blackstone, possesses a parliament which can do anything "except change a man into a woman or a woman into a man"—we proceed from the standpoint of a people governed by a rigid written constitution, into which, in the early moments of our national life, we wrote once and for all guarantees of individual liberty, expressing the experience of 800 years of English life and thought, a final endeavor to protect from executive or legislative invasion certain immutable and unchangeable principles, the preservation of which in the humblest individual, history had demonstrated was absolutely essential to the liberty of all. We wrote into

one portion of that constitution the declaration that no man's property nor liberty nor life should be taken from him without "due process of law," and we meant by those words exactly what was meant when the barons wrote into the Magna Charta the words, "No man shall be disseized nor deprived of his property nor his liberties taken from him except by the law of the land," and by "the law of the land" and by "due process of law" we mean a law that hears before it condemns, that proceeds by inquiry, and that renders judgment only after trial.

So, sirs, when we undertook to work out this scheme of providing for injuries received in the course of employment by placing the entire burden upon the individual employer, we disregarded the philosophy we pretend to imitate and do violence to our own fundamental principles. Even as this injustice was done the state said to the employer: "We don't do this because we think you you are responsible. We do this because we want to use you as the agent of general society to pay a bill in the first instance, that we will foot, if you will pass it on to us." So they undertook, in the law of New York, so they are undertaking now in this state, so they have undertaken in the state of California, so they have undertaken in the state of New Hampshire, in the state of New Jersey, in all the states in which we have adopted compensation legislation up to the present time, to make the employer in terms of personal liability responsible for an evil asserted to be sound in its origin.

THE CONSTITUTIONAL INHIBITION.

We have tried by a variety of devices to escape the constitutional inhibition; we have said, as they say in New Jersey to the employer, "You shall be stripped of all your defenses unless you accept a compensation schedule, and we have said to the employe, "If you accept the compensation sechedule, then you shall be bound

by that, but if you undertake to sue at law, with the compensation schedule as an optional feature, then you shall find the employer possessed of all the defenses which exist at the common law." We have thought and acted always in terms of private responsibility, and we have undertaken by a variety of contrivances to force extreme personal liability upon the employer through some form of legal device that would evade the plain, simple purpose and language of the constitution.

The New York Court of Appeals, when it wrote that famous decision in the Ives case, sent us back to our first principles of individual liability. It did not say, "You cannot have compensation legislation in this country"; it said "You cannot work it out by unconstitutional means." It said to the New York Liability Commission, "We approve your purpose, we sympathize with your ends, but we must condemn the means by which you seek to accomplish them." Let us remember that an American court is not a judge of the policy of legislation. The legislature is the sole judge of what shall be public policy. The court passes solely upon one question with reference to a legislative act, and that is, "Did or did not the legislative agent act within the scope of his constitutional authority? If the legislature acts wisely or unwisely, providently or improvidently, expediently or inexpediently, it is not for the court to set a statute aside. The remedy in such event is not judicial. It is political. It is simply an appeal from the representative who enacted the law to the constituency who elected him.

THE POWER OF TAXATION.

The New York law undertook to say that one man shall be liable to another in dangerous employments whenever he receives an injury, except it be due to his "serious and wilful misconduct," language which had

been taken bodily from the English act of 1906, and where it had received an interpretation that practically meant the injury must be self-inflicted. But that, as the New York court properly said, is not leaving the employer a defense. It was a defense at least which required no sanction from a legislature. The most primitive notion of justice would find it abhorrent for an employe to receive compensation for injuries self-inflicted. So the New York court said, "If you undertake to place personal responsibility upon a man, making him liable to another without reference to wrong on his own part, or any relationship between any act of his and the injury received, without giving the defendant any opportunity to make a defense, then you have denied to him that which we have declared no man shall be denied in this country—the opportunity to be heard, whenever you undertake to take his property from him and give it to another without his consent. But the European legislating for compensation did not take one man's property from him and give it to another; he took two men's property from them and gave it to the state, to create a fund for a public purpose that was to remove from the face of society a social evil, and, gentlemen, if we undertake to do that thing in this country, what would we call the power to take property from individuals and consecrate it to a public purpose? We call it the power of taxation, do we not? not the police power. If the state undertakes to take a man's money from him we can vindicate its act only upon one theory, that the purpose for which it is to be expended is a public purpose. So if we undertake in this country to create a fund to provide compensation for injuries received in the course of employment, on the ground that such a method will alone avert a serious social evil, then the only means by which we can take a man's property and consecrate it to public and not private purposes, is through the power of taxation,

and the question for argument becomes this: Is the elimination of such an evil a public purpose? If we scan the line of cases in which the courts of our states and the United States have passed upon the question of what is "a public purpose" justifying the exercise of the taxing power we find it sustained again and again for purposes closely akin to that we seek to accomplish. We have, moreover, as final authority for the exercise of such power, the universal experience and practice of Europe. About 300 million of our fellowmen have believed that the evil created by unremedied injuries received in the course of employment, and the constituted, social frictions, waste and natural injury in their train warrant the creation of a new public relation between employer and employe and the state. Here, indeed, we have a final authority, the general belief of many nations of the world, that the elimination of such an evil is a public purpose.

I shall not go into any discussion of cases with you. I simply offer a statement of the general principle involved, but you can see yourself the contrast between the two theories, one of which undertakes to give one man's private property to another, and the other which undertakes to take private property and consecrate it to a public purpose. But it may be said if we undertake to do such a thing as that in this country, would we not create a hopeless bureaucracy? Would we not offer a great fund to the temptations of the corrupt and the maladministration of the public officers who have again and again demonstrated that they cannot perform business functions with high efficiency? The objection is not without force and if that were the end to be aimed at by the exercise of the taxing power, I would hesitate to suggest or advise it.

UNIVERSAL MUTUAL INSURANCE SYSTEM BEST REMEDY.

We all agree that the happiest and the most practicable remedy that could be devised would be a condition of universal, voluntary mutual insurance in which associations of employers, organized for the pupose of maintaining and administering insurance for compensation of this character, would give the same business management to that subject, to actuarial supervision and suggestion that would be given to any form of insurance, but saving the cost of commissions and the management of a private insurance concern. But what we need, in the first instance, in order to secure compensation is some form of compulsion, for voluntary compensation will never be universal in its application.

We have today, in many parts of this country, notable instances of great manufacturers who have expended thousands of dollars in the establishment of splendid systems of private compensation insurance that will compare with any system of a similar character in Europe, but they are not universal, and our problem is not the problem of the big employer; it is the problem of the small employer, because the small employers in the aggregate are the large employer. On the whole the man who averages ten or fifteen employes, employs more men than all the other employers of the United States put together, and the small employer is the one who hesitates to add to his overhead charges; he is the man that will not individually inaugurate a voluntary compensation scheme; he cannot afford it alone, and he is the one upon whom compulsion must be applied, if compensation as a system is to be universal. And surely we must agree then that if compensation is to confer any advantage as a substitute for the present system of liability, it must completely take the place of the other system and the remedy must be exclusive and forbid any appeal to

law, otherwise we have merely created two liabilities, one at law and one through compensation, and you place upon the employer the burden of double insurance, one to carry his obligation under a compensation system and the other to carry his risk at law. Furthermore, if such a system is as beneficial as we believe it to be, then it should be for the benefit of all, not for the benefit of some. Its burden is to be distributed upon all and not upon some. It should then be universal in its application, and applied to all forms of employment, for if German experience and European experience for twenty-five years proved anything, it is that our conventional notions of the relative hazard of industries must yield to the teachings of experience. In Germany they have discovered, through twenty-five years of investigation, that perhaps the most hazardous of all employments, taken in the totality of its injuries, is agriculture, which holds the highest percentage, either in deaths or permanent injuries and disabilities.

MUTUALITY OF TAXATION.

Furthermore, a sound compensation system should be based upon mutuality of taxation, upon the contribution of both employer and employe, because both are the responsible causes of accidents, both have the prevention of accident within their control, and both should contribute to the cost of eliminating the evil. When you have placed upon the employer the cost of accidents due to the hazard of the industry, for accident due to the employer's own fault, and for that element which represents the fault of both the employe and the employer, upon what principle of natural justice can you also charge him with that proportion of accident due solely and exclusively to the fault of the employe? Especially when you are giving to the employe, in return for his contribution, not a right of recovery such as he now practically has,

a recovery estimated at six times in one hundred actions, but substantially speaking 98 or 99 times out of every 100 cases of injury.

The exercise of the taxing power has always been accompanied by exemptions in the public interest, provided the thing aimed at is secured by exemptions, for it would be in the public interest to give to a system, either of one employer or of many employers in conjunction with their employes, who provide an equal or superior benefit to that aimed at by the law, exemptions from taxation—it is, I say, as much a public purpose to do that as it is to lay a tax upon them, is the elimination of the evil aimed at, and if the evil is more successfully eliminated by a more efficient and better system of social insurance under private management, then there is no reason why the state tax should be laid or paid in to the state groups of individuals who provide that which the state sought to secure.

Under such a system, if you once secure the compulsion necessary to establish a scheme of compensation, a provision for exemption by which you give impulse and encouragement to all forms of private enterprise that undertake to perform the duty which the state seeks to see executed, instead of creating a bureaucracy, you would provide an impulse toward the creation of a general scheme thoroughly American in its character, of universal, private, systematic, mutual social insurance. Operating under such powers and giving the state such authority, you have done no evil to your institutions; you have not distorted private relations; you have not done violence to the law of contract or to the law of tort; you have preserved every guarantee of your constitution; you have preserved the self-reliance and self-respect and independence of the employe; you have not created a habit of dependence from which England is suffering today; you have cured a vast social evil; you have set on foot

an impulse for national industrial efficiency. Nor would you have summoned to your aid a novel power. You have called into being that power which you daily exercise for the protection of the improvident, or those who fall by the wayside or cannot keep up with the procession who find refuge in your poor houses and eleemosynary institutions; the power which takes the hopeless drunkard from the gutter, wrecked by his own act, and makes him a state charge. You will have prevented the social submergence of a portion of your population threatened by the economic consequence of the injury falling upon the shoulders of the injured man, instead of being distributed through the employment in which the injury occurs.

If it is social self defense to provide for the education of a nation in order that the coming generation may be able to intelligently perpetuate the institutions that this generation hands down to them, if it be social self-preservation and a public purpose to provide for the injured and the maimed and the blind in our public institutions, if it be for a public purpose and for social preservation to protect the health and the strength and the morals of our nation, then it is social self-preservation, it is social insurance, it is social self-defense to provide that, where an army must suffer in the course of carrying on the world's industries, and must continue to be the victims of the way in which the world does its work, social provision shall be made against this destruction and waste of life and working capacity. (Applause.)

Discussion on Workmen's Compensation

Mr. Wendling: Mr. President, will the address to which we have just listened appear in our report in full?

President Hines: It should, and I think we shall have it.

Mr. Wendling: Mr. Chairman, I move that the address be published and distributed in such form as the members desire.

President Hines: We will see that that is done. That is a very good suggestion.

C. S. Keith: Mr. Chairman, I don't believe that we ought to pass this subject by without some discussion. We have got to recognize one thing in this country, and that is that we have got to get together to some extent in the matter of workmen's compensation, or we have got to come to the other alternative, something in the line of increasing our liability under employers' liability. I have been unfortunate enough to have to appear before five different state legislatures, and their committees, this year on this very subject. I think that a committee should be appointed by this Association, empowered to employ counsel, to study this subject in regard to its relations to the lumber business, so as to recommend something which we may take up and be educating ourselves upon, and something that can be taken up by the legislatures which will convene two years from now.

President Hines: Gentlemen, I feel that this Association and every person here, has been greatly favored by so able and intelligent an address as Mr. Emery has presented to us this afternoon. He came directly here from Washington for the sole purpose of making this address. I think that the subject is one that we must give consideration. I think that the suggestion of having a committee appointed is a very good one. Will you suggest the number of the committee?

Mr. Keith: I would not suggest the number of the comittee, but I should suggest that the committee be given power to study this matter. What is everybody's business is nobody's business. This is the business of all of us, and it is very essential to our business. The question of workmen's compensation as applied to forest industries is very material, and I think it is a subject upon which we, ourselves, need information. A committee appointed for this purpose cannot cover the subject in two or three or four hours, three or four days or three or four weeks, and that committee should certainly be empowered to employ the proper talent to study the subject of workmen's compensation as applied to the manufacture of lumber, and what our proportion of the general hazard to all industrial movements is to the total; so that when the time does come when we are going to have such legislation put over us that is going to come two years from now, without any question, we can be in shape to take care of and protect our interests before the various legislatures of the United States.

President Hines: I will take the suggestion under consideration and appoint a committee between now and the close of our session.

Gentlemen, the next in order is following along the line of

addresses of the presidents of the different affiliated associations. I would like to caution you to be as brief as possible, and as pointed as you can be. We are behind time, and we have some very important and interesting addresses which we must have this afternoon on the advertising feature. The next in order is Mr. C. A. Bigelow, President of the Michigan Hardwood Manufacturers' Association.

The Michigan Hardwood Manufacturers' Association

CHARLES A. BIGELOW: Mr. Chairman and Gentlemen: The Michigan Hardwood Manufacturers' Association has a membership of about seventy, with an annual output of hardwood approximating 400,000,000 feet, and of hemlock about 300,000,000 feet. During the last year there were proposed in our organization and adopted, new terms of sale, the substance of which was that the invoice to be rendered was to be paid within sixty days, and the discount figured at the rate of 12 percent per annum, unexpired time. For instance, if a man took 25 days, you would figure 35 days' interest, instead of the usual way of taking 2 percent in 50 and 30 days.

We are also endeavoring to harmonize inspection of hemlock. Most hardwoods are sold under the inspection of the National Hardwood Lumber Association. The condition of trade in Michigan is good, especially in hardwood. We are realizing the highest prices we ever had on the whole. The stocks are below normal; in fact the demand is somewhat greater than the supply. Our hemlock is bringing better prices than a year ago, and we hope that they will continue to rise in value. (Applause.)

Western Pine Manufacturers' Association

William Deary, President of the Western Pine Manufacturers' Association, being absent from the convention hall when called upon, later submitted the following report:

To the Members of the National Lumber Manufacturers' Association: Let me express my great pleasure at having been present at your convention. I am sure the large attendance was a true indication of the general interest in association work.

As a representative of the Western Pine Manufacturers' Association I wish to report that the Inland Empire lumbermen have found from actual experience the value of association work. We find this beneficial particularly with respect to the work of our Bureau of Grades. We are continually striving to bring about a uniform basis for the grading of our different pines and mixed timbers which are common to our section. Good progress has been made along this line. Not all the smaller manufacturers have yet joined in our work, but each year sees additions to our membership. We get together often and discuss the changing methods of manufacturing, with a view of cheapening the cost of the same and of adopting uniform patterns and thicknesses of lumber. Our trading of ideas has proven helpful and we especially appreciate the better acquaintance with each other that these meetings bring about.

Hardwood Manufacturers' Association of the United States

PRESIDENT HINES: Gentlemen, through an oversight I called upon Mr. Bigelow first. Mr. W. B. Townsend, of the Hardwood Manufacturers' Association of the United States, should have been called first. As Mr. Townsend has two subjects to talk upon, in justice to himself he should have double the amount of time, and I trust he will feel free to use that amount of time.

W. B. TOWNSEND (Townsend, Tenn.): Mr. President and Gentlemen: The Hardwood Manufacturers' Association of the United States, of which I have the honor to be president, gave you last year through its Secretary, Mr. Lewis Doster, a brief history of the association from its organization up to that time, and as that was incorporated in your minutes and is now history, I will not refer to it further.

Since that time we have made rapid strides along many important lines, strengthening our organization and its members in its important work of the proper manufacture and sale of hardwoods; the dissemination of information and suggestions for the benefit of the trade generally, as also the proper grading and establishment of proper rules for the grading of hardwood lumber, in order that it may be of benefit to the consumer or user of the lumber and not hurtful to the manufacturer or dealer.

Right here may I say that this feature of our association work has become of national importance wherever hardwoods are used to any extent, and the association stands as a unit for one single standard of rules. Fairness and honesty of purpose and hearty coöperation is, in my judgment, the only proper course to pursue, and that is what our association stands for. A square deal is our

motto. We frown on all forms of trickery and protest most emphatically against the mixing of grades and all other forms of dishonest practice.

The National Wholesale Lumber Dealers' Association, at its meeting in Washington on March 1, appointed a committee of five members for the purpose of using every possible endeavor to establish a single standard of inspection rules for hardwood lumber. This committee is composed of broadminded men, prominent in the trade, and is sure to accomplish much for this desired end.

Also the National Hardwood Lumber Association at its meeting, held in Memphis, May 11 and 12, arranged for the appointment of a committee for such purpose, which we believe will very greatly assist along these lines.

In the brief time in which I have been president I have received letters from prominent manufacturers everywhere in the hardwood belts of the country, commending the Hardwood Manufacturers' Association for the stand it has taken to accomplish an honest and one single standard of inspection for hardwood lumber.

MEMBERSHIP AND PRODUCTION.

The production of our manufacturing members, numbering more than 300, reached the total of 659,022,000 feet in 1910, covering hardwood lumber only, and many of our members manufacture and ship a large quantity of other woods, such as yellow pine, white pine, cypress, hemlock and tupelo.

The standing timber owned or controlled by our members is now being canvassed. Up to date 134 firms have reported a total acreage of three million with amount of standing timber thereon of eighteen billion feet.

One of our chief aims, or one of the chief aims of the association work, is to strengthen our members in their

efforts along the lines of conservation, and if it were possible to get the proper encouragement and the coöperation of our respective states in connection with the federal government, we could perpetuate forever the present annual production of hardwoods in the United States, but with the muckrakers, the alarmists, the sensational magazine writers and the theorist against us it is a most difficult task. We hope for better things in the near future along these lines and believe the people are becoming enlightened, and by us keeping everlastingly at it, we are sure to succeed.

As a result of the Macedonian cry "Come over and help us," and in view of the many requests from many prominent manufacturers, we feel as though we should extend our field and are now seriously considering the matter.

EXECUTIVE COMMITTEE MEETINGS.

By reason of the geographical location of the members of our Executive Board, their places of residence or business extending, as they do, from the Missouri and Arkansas rivers, to the Atlantic seaboard, and from the Gulf on the south to the Great Lakes on the north, it is most difficult and frequently entails personal sacrifice to meet often, so in lieu of this an Executive Committee, consisting of members of the Executive Board, has been appointed, so located that with a minimum of sacrifice they could meet monthly for the transaction of important business needing attention, and report to the Executive Board at their quarterly meeting. This feature of our work and its results are most satisfactory.

In 1910 we conferred with the trade of the eastern section of the United States on the subject of grading and made a step further in the advancement of a uniform or single standard of inspection by modification of our system and the elimination of a set of rules then in existence in that section. The effect of such an under-

taking was immediately recognized by all the elements by the actual results obtained, and our efforts are so maintained along this direction.

OUR LAST ANNUAL MEETING.

Our last annual meeting was held January 31 to February 2, at the Sinton hotel, Cincinnati, and was a most representative and satisfactory meeting. The atendance was large, 700 registering. We believe much good results from these meetings, the exchange of thought, the dissemination of wholesome policies, and the encouragement of social and fraternal feeling generally among the manufacturers, consumers and dealers, all having a direct bearing on and benefit to the trade generally; and of no small importance is the buying and selling feature at these annual meetings.

The work of the National Classification Committee of the Lumber and Wooden Box Interests was strongly commended by this association, and it was recommended that our members individually support this movement in a financial way, which they are doing.

This association heartily commended the establishing of the Forest Products Laboratory by the Forest Service at Madison, Wis., and made a strong plea that the appropriations by Congress to the Forest Service would be used more along the lines of endeavor indicated in the establishment of this laboratory.

The Executive Grading Commission conferred with the railroad purchasing organizations and were requested to publish our grading rules, covering the class of products they purchased most, in pamphlet form for their convenience, and their request was acceded to in this regard.

GOVERNMENT PRICE LIST.

For some time the Forest Service has been publishing

a wholesale price list which has not always seemed to us to be in line with conditions as they were found to exist at the time such publications were issued.

In acknowledging the courtesy of recognition of our membership in the National Lumber Manufacturers' Association we take the liberty to say that we believe there is a field of operation thus far largely untouched that can be covered well by your association and perhaps cannot be successfully carried on in any other way.

Practical Forestry

BY W. B. TOWNSEND, OF TOWNSEND, TENN.

I have been invited to address you briefly on practical forestry, particularly as it relates to hardwoods. I assure you I will be brief, but may not confine myself strictly to hardwoods. I will call your attention to the Southern Appalachian territory, which is practically a hardwood belt, extending from Maryland to Texas, including Oklahoma, and how the forests in this section could with but comparatively small expense to the states and nation, be so conserved as to supply perpetually, forever, an amount of lumber annually, practically equal to the annual production today. This is practical, and can be accomplished by the coöperation of the states and nation, but is not practical or even feasible of accomplishment by individuals or operating companies under the present laws. Also the state of Oregon, with her three hundred and fifty billion feet of standing timber, practically untouched, can be made to produce a perpetual annual income of $100,000,000 forever, but this is largely the work of the states and the nation, and does not as yet to any extent appeal to the average impatient American. Taxes and fire are the chief impediments and individuals or operating companies are absolutely helpless before the onslaught of either. In the discussion of the problem, impractical in the brief time allotted me for this purpose, I will hastily pass on to a few items of interest, and that are thoroughly practical and should be of special interest to every lumberman, especially to every manufacturer of lumber, from Maine to the Pacific and from the Gulf to the so-called imaginary boundry line on the North.

It is said by those who pretend to know—namely, what we might call the Statistical Department of the United States—that there is about two thousand eight hundred billion feet of merchantable timber standing in the continental United States, of which four-fifths, or two thousand two hundred billion feet, which they claim to be worth at least six billion dollars, is in private hands, or, in other words, according to their estimate, the government owns about one-fifth of the standing merchantable timber in the states, while forty years ago they owned three-fourths of it.

It is not my purpose to discuss what brought about this change in ownership or how it was accomplished; that is history and no doubt more or less familiar to most of you.

The fact that in this same report it is claimed that about one-fourth of the whole is in the hands of thirty-seven holders or owners and that practically one-half of the whole is in the hands of less than two hundred concerns need alarm no one, for the reason that it can easily be shown it is not true, but even if it were true the less the number of people interested in the ownership, the more likely it is to be conserved for future generations.

However, the statement is entirely misleading. Our last census reports 48,000 saw mills in the United States. In fact there is no natural resource of raw material so widely distributed or whose ownership is so numerously held. Compare it with the restricted ownership of iron, the raw material for steel and its product. Timber ownership is multitudinous. Even coal deposits of our country, copper, lead, zinc, all important, are in few hands compared with lumber, and are much more easily controlled.

Mr. Fullerton, of Des Moines, Ia., in a most able article published in Leslie's Weekly of May 13, calls special attention to the absurdity of the position of our federal gov-

ernment and the many misleading statements quoted as facts by Commissioner of Corporations, Herbert Knox Smith, in his recent report to Congress, wherein he juggles and struggles with figures until he shows a steady increase in our forest resources amounting to three hundred billion feet in two years. If you have not read this article, get it and read it; it is well worth while—practical truths written by a practical man in a very attractive manner.

The point I want to make is: were it possible for us to "take in" our minds, to grasp the meaning of these stupendous figures, we could then appreciate the fact that a lumber famine, such as we see predicted by the pessimistic and sensational writers, and advanced by the theorist, is yet a very great ways off, and no one alive today will likely live to see a real scarcity of lumber, and, furthermore, the fact, as has been demonstrated in many instances in the last few years, that cut-over land will produce another crop in thirty to fifty years, according to locations and local conditions, together with the changing and changed conditions, should confirm this to any unprejudiced mind.

It is furthermore claimed by some who have given much thought and study to the question, that certain species of timber can today be grown at the prevailing stumpage prices, but this as a business proposition is not likely to become popular with the average impatient American for some time; but it is a fact, despite the cry of alarmists, and the most anxious citizen need not worry as to our future supply.

Now, admitting there is enough standing timber to wear out every saw mill now in existence and likely to be built in the next several years, and also to wear out every saw mill operator of today, it will be admitted, I think by you all, that the proposition confronting us today as manufacturers is not only to conserve in every

practical way what timber we have left but to also try to make a profit commensurate with the expense and worry connected with the producing of lumber from standing timber. From the history of the past, and also as far as we can look into the future, we cannot expect any lowering of stumpage values or prices, but, rather, advances are certain. Students of the future tell us that stumpage values are sure to advance until they reach the point where they are on a par with the cost of producing or growing mature trees, and in Germany, where they seem to have this business of growing forests down to a science, we are told that mature oak trees sell today for $300 each and up.

It is history that forty years ago the states and federal government were "long on timber lands," and anxious to dispose of them at $1 to $1.25 an acre, but has it been a good investment for the people who bought them and are still holding them? With but few exceptions it has been a losing game, caretaking, taxes and interest amounting to much more than the timber land could be sold for today. The purchase of farm land or almost any other part of the public domain brings better results, for the reason that it can be made to pay the expense of carrying it and in most cases the advance in price has been more rapid.

It is pertinent then that we, as manufacturers, should seriously inquire after a means of relief, and I would suggest for prompt relief and of great importance, don't under any circumstances build a new saw mill or increase your present capacity. (Laughter.)

Then, again, the cry is going up all over the land of the reckless denudation of the forests by the saw mill men, and the consequent scarcity of lumber. The difficulty of obtaining it and the so-called high prices have resulted in substitution of other materials for lumber to an extent not even dreamed of a few years ago. To illustrate:

LOOKING AHEAD.

Teacher—"What are you thinking about, Johnny? You seem to be greatly worried."

Johnny—"I was reading an article in one of the magazines last night about the danger of all our forests bein' destroyed unless something is done to stop the people who are cuttin' down the trees."

Teacher—"Yes, forest denudation is a thing that ought to be prevented. But I wouldn't let it worry me if I were in your place."

Johnny—"I can't help thinking how sad it would be if I grew up and got run over by the cars, and the forests were all denuded, so there'd be no chance for me to get a wooden leg." (Laughter.)

Therefore, a campaign of publicity, setting forth the facts, is becoming more and more necessary. I say "facts," for the reason that it is a fact that as a rule saw mill men of today are not reckless in the destruction of the forests. Lumber is not scarce or difficult to obtain and prices are not high compared with cost of production.

For example: Will you pardon here a little personal experience that occurs to me? From 1886 to 1897, in Pennsylvania, where we were operating, I sold there millions of feet of hemlock at an average price not exceeding $8 a thousand, and made some money. Today it is costing us in Tennessee more than $11 a thousand to produce hemlock lumber, not including stumpage value, and it is not as good hemlock either. The saw mill man is in no sense responsible for this increased cost of production.

As I said in Memphis a few days ago, we know there is no lumber trust, but the people do not, and the theorist, the muckraker, the sensational writer, all declare there is. (Applause.)

Introducing W. C. Landon

President Hines: Mr. W. C. Landon, of Wausau, Wis., president of the Northern Hemlock & Hardwood Manufacturers' Association, will present to you an outline of the work of that association. The conditions with which this association has to deal, are to a considerable extent those obtaining in Michigan. The pine industry of Wisconsin is represented by the Northern Pine Manufacturers' Association, but, as in Michigan, both the hemlock and the hardwood resources of the state are represented in what is essentially the hardwood organization. Mr. Landon's association has been particularly active during the last year in regard to forest fire legislation, employers' liability law, and especially in the extension of their organization. I think Mr. Landon will be able to give us some valuable information.

Northern Hemlock and Hardwood Manufacturers' Association

Mr. W. C. Landon: Mr. President and Gentlemen of the Convention: Our association, as you undoubtedly know, is the consolidation of what was originally the Northwestern Hemlock Association and the Wisconsin Hardwood Association. These two associations were combined about a year ago, purely for the reason that practically every mill that was manufacturing hemlock also manufactured hardwood, and it seemed that there was no reason to maintain two associations; for that reason they were combined. We have a membership of eighty-seven; a production of something like 700,000,000, or a little better. Our Association is doing what we consider a very good work in our state. Among the things that we are doing particularly is the maintaining of a grading bureau, in which we have four expert graders who are on the field all of the time. That is done purely for the purpose of getting more uniform grades throughout the state, and when I say "the state," I include the northern peninsula of Michigan as well, as that is a part of our association. In the past there has been a wide difference in the grading of hemlock and hardwood, and through this grading bureau we have accomplished much to get uniform grading, so that today, no matter from what mill you ship hemlock or hardwood, you get practically the same grade from the different sections of the country that produce the lumber. Then, too, we maintain a weekly bulletin, a copy of which I have here. It is printed and mailed every week. It contains all of the information which we gather during the week concerning anything that may be of interest to our members, comparative statements of months in the years previous and at the

present time, and also includes a large amount of orders, or orders that are received by the different manufacturers on the first day of each week. Copies of those orders are sent to the Secretary's office and are printed, so that the members may know just what the other fellow is doing all of the time. They get that information every Friday, and the news right up to date all of the time. We are sending that to the Bureau of Corporations so that they may know what we are doing as well.

We have, as practically all of the states now have, some progressive politicians in our state, and they are doing everything they can to make political capital. Some of the bills which they have introduced through the assistance of our association, have been put into laws, which we believe are very good ones, and we have and maintain a standing committee which tries to coöperate with the legislature on anything that will affect our business interests. One of the things that has recently come up is the workmen's compensation bill, which was passed, and through the efficient work of our association we believe that we have got a fairly good bill, very much different from what it had originally been.

A bill that is now pending, or at least will go before the committee in our hearing Friday, is what is generally known as the Slash Burning Bill. This has been before the committee two or three times in the last three years, and so far we have prevented it from becoming a law. I believe we are in a fair way to prevent it from ever becoming a law. It does not seem to us, as lumbermen, that the method of reducing the fire is to pass a law whereby we are compelled to build fires, and that is practiacally what that law would mean. So instead of having a law that would compel us to burn the slash and debris on the ground as fast as it accumulates, we are in a fair way to have that bill killed.

One of the things that our association is taking up at this time is the fire insurance. From statistics which we have gathered, there is no uniformity whatever and we re-

alize that there cannot be from the nature of the business and the circumstances which surround it; yet at the same time there is a wide difference between the rates which apply on the different manufacturing plants throughout the state. It seems to be a matter left entirely to the local board to make those rates, rather than through any special rate-making process which the insurance company has; so that, as the result of that, some rates, where the risk is not as good as others, are probably one-half as great as the better risk. That is one of the things that we are now working on.

One of the things that has appealed to me during the last day or two particularly has been, what are we, as affiliated associations, doing to help the National association? I confess that so far as our association is concerned, we haven't done very much. We belong to it and pay our dues, but how much assistance are we giving the management of the National association? There are a great many suggestions that we could make which would be helpful to the National association, but we do not spend the time and thought to give them sufficient support. It seems to me, if we would bear this in mind and think it over, that much could be done to help and broaden the work of the National association. (Applause.)

Introducing W. B. Roper

President Hines: I extremely regret that Mr. Horton Corwin, Jr., of Edenton, N. C., who succeeded the lamented Mr. Fosburgh as president of the North Carolina Pine Association, is not able to be present. I understand that certain legal engagements entirely beyond his control made it impossible for him to be here, but he will be represented by Mr. W. B. Roper, a member of the famous lumbering family of that name of Virginia and North Carolina, who is now secretary of the association. He will speak on the subject, "Coöperation an Essential of Association Work." I take pleasure in introducing Mr. Roper, who, by the way, last week made a very favorable impression on the Finance Committee of the Senate in opposition to the reciprocity bill now pending.

North Carolina Pine Association

W. B. Roper (Norfolk, Va.): Mr. Chairman and Gentlemen: There was a time in association work when we lumbermen could get together in our local associations and not only exchange information and statistics but occasionally we might possibly discuss some sort of a basis as to approximate prices to ask for our product, and thereby endeavor to get some little profit out of our timber. That, however, was away back in the dim and distant past, before a certain individual by the name of Sherman wrote his name in large and bold letters across the legislative page. This statesman appears to have held the same opinion of business combinations that his famous brother held about war. You all know what that was, and how the Supreme Court had just delivered the goods to the Standard Oil Company. I am glad to note, however, that in rendering its decision in this important case the court showed a disposition to encourage large business enterprises to some extent, and not entirely to prohibit the getting together of concerns working along the same lines with a view to the reduction of expenses, increasing efficiency, avoiding waste both in manufacturing and selling, and coöperating in the securing of adequate prices, so long as they do not stifle competition, monopolize business in their line, or unreasonably restrain trade. In other words, the court realizes that in some lines of industry it is necessary to use some restraint in order to receive the benefits that should accrue from the investment of capital and labor used in manufacturing the product.

This, to a business man, appears to be a wise conclusion and one that will result beneficially to the country,

but it remains to be seen how our legislators will handle it. Already there have been introduced in Congress a number of bills to amend the act so as not to admit of the construction put upon it by the court, but these amendments may not have the desired effect, for should they be passed there remains the possibility that the Supreme Court will declare them unconstitutional. Let us hope, however, that legislation and agitation may cease for a sufficiently long time to allow the country to settle down and try out what laws we already have. One way to curtail the stream of new laws that are continually being turned out by our legislatures and congresses, I believe, is to stop sending so many lawyers to the legislative halls. Let us send some good business men, bankers, merchants, manufacturers, who have had business experience, and who will attend to the business of the state or nation and then go back to their trades, not trying to lengthen out the session or to appear to earn their salaries by introducing bills on every conceivable point.

NECESSITY FOR CO-OPERATION.

I have digressed very much from my subject but was led to refer to the "trust-busting" crusade because it has been the chief reason for the necessity for closer co-operation among lumber manufacturers. This Sherman act prevented agreements as to prices, etc., and for many years we have been floundering in the swamp of despair, with no hope of soon finding the way out. Competition has been getting keener and keener, the cost of labor has been steadily advancing, the quality of labor in our section has been steadily declining, and the cost of all supplies entering into the manufacture of lumber has increased amazingly. Without any consideration of stumpage at all, therefore, there has been a very great increase in the value of lumber simply because it costs more to produce it. Yet, in spite of these self-

evident facts, at the hearing on the reciprocity bill in Washington a few days ago, one of the distinguished Senators from a southern state had the temerity to ask us why he had to pay more for lumber now than he did ten years ago. I believe he actually thought that all the advance in price was profits, and that it had gone into the manufacturers' pockets. And he from a big lumber producing state!

With this state of affairs as to cost; with such prevailing misconceptions of the lumber industry, with the national administration pushing with all its influence a reciprocity measure that makes lumber the "goat," with the newspapers pushing the same measure in the hope that they will get cheaper paper, what will become of us if we do not get closer together in the interchange of information and statistics that will tend to reduce costs of production, management and marketing? It is out of the question to form a combination to control the output of lumber, or even of any one kind of lumber, for the very good reasons given by the Commissioner of Corporations in his first report on the lumber industry. In our short-leaf pine section, for instance, embracing the states of Virginia, North Carolina and South Carolina, there are approximately 8,000 saw mills, according to the census report of 1909, and the chances are that a good many more escaped the eye of the enumerator. These vary of course from the small "teakettle," or portable mill to the largest plants, the total output being about 3,000,000,000 feet annually. Who would be brave enough to undertake to round up these 8,000 or more plants and get them to combine on, or agree to, anything? In the entire country there are 48,000 saw mills, which would make the problem six times more difficult.

Cost of Production.

Under these conditions our association has decided to make a determined effort to ascertain actual costs of

logging, manufacturing and planing. Our members are alive to the situation and a large majority of them have expressed their willingness to contribute for the common good all the information they have, realizing that each man has more to gain by comparisons of this sort than he has to lose. In speaking of costs with different manufacturers there is the widest divergence in views. Neighboring mills working under almost identical conditions as to logging, labor, etc., have been found to vary in their estimates of cost from $1 to $3 a thousand feet. Of course, this difference does not really exist. One man perhaps includes his labor only, leaving out the cost of supplies, or if he includes supplies does not estimate the cost of superintendence and office force, and very few of them include in their cost of manufacture their overhead and fixed charges, such as taxes, insurance, officers' salaries, selling expenses, interest, etc. These all work while you sleep and amount to much more than many people think. In one meeting comparing the costs of manufacture (without actual statistics) the estimates given by members ran from $7 to $15 a thousand feet, which included logging sawmilling, and loading the rough lumber on cars—no charge for stumpage.

We need education and enlightenment along this line. It may be difficult to get an exact comparison of costs between mills, without a uniform system of accounting, but we can certainly approach it closely enough to open the eyes of the man who is at present underestimating his cost, and in consequence undervaluing his product and putting it on the market at a ruinous price. I contend that no other one thing will help us so much to raise the level of lumber prices as a realization by the manufacturer of what his lumber costs him to produce and put upon the market. The next in order is a realization of what his stumpage is worth, when he contemplates the

fact that he will have to replace it some day or go out of business.

But, referring to that matter of uniform accounts for lumber manufacturers, why should it be deemed a thing impossible to attain? At one time all the railroads were at loggerheads on accounting. Each had its own system, and some of them (like lumbermen) had none. This was changed some years ago, however, by the Interstate Commerce Commission requiring all railroads to adopt a system promulgated by the commission. True, railroad conditions are more nearly alike on all roads, but there is much similarity also in the principal processes of lumber manufacture, from logging to the finished product, and it ought not to be a hard matter for a commission of, say, three to five experienced and expert lumber accountants from different plants to get together and formulate a system that would not only render uniform, but simplify, the bookkeeping methods. This could be attempted first among the local associations, and then gradually worked out to a national system if found desirable or advisable.

SYSTEM OF ACCOUNTING.

In our association we are not at present attempting to create a uniform or universal system of accounting, but are, as stated, making a serious attempt to get some reliable data as to costs. We may be accused of having the cart before the horse, but, you know, that is a very desirable place to have the cart if the horse is a kicker. We have thought that a printed cost statement calling for different items in the various processes of manufacture would gradually lead to and make easier a uniform system of bookkeeping. We have not undertaken in preparing this form to ask for complete information, or to keep separate all the different items and processes of the manufacture of lumber, but have gone into only enough detail to give us a general idea of the cost of the

three separate operations that are generally recognized, namely: logging, sawmilling and planing. I have with me proof sheets of the forms we have adopted to secure the costs in these departments and will be glad to show them to any who are interested. These proofs were printed and sent out to all the directors of our association for criticism, and in the revised forms that are now in the hands of the printer there will be some few minor changes that will not materially change the character or form of the report. Should any of the associations represented here desire copies of the revised forms with a view to working out some similar comparisons of costs I shall be glad to mail them copies.

Besides the effort in the direction of lowering costs, our association is also disseminating information among its members as to market prices, stocks on hand, shipments and cut, etc. The association is harmonious and we believe is accomplishing much good for its members. Frequent meetings give them opportunities to exchange views, compare conditions, and meet socially and in good fellowship about the luncheon table. We endeavor to encourage the full, free and frank discussion of all topics of interest, feeling that the closer together the members can get socially the better will be the results industrially.

Mr. President, I just wish to add that delegations of lumbermen from different sections of the country should make it their business to visit Washington at an early day and impress upon their Congressmen and Senators their views upon this subject. We had a delegation of fifteen from the North Carolina Pine Association, and we found the Senators very glad to receive us. They want all of the information they can get, and they seemed to be opposed to reciprocity rather than to be in favor of it. Some of them comment upon the fact that very few lumbermen have made themselves heard.

Since writing this paper I have noticed that that en-

terprising journal, the American Lumberman, has gotten up a form covering this cost. I was not aware that they were doing that and I did not know that any other association was compiling forms of this nature, but I am glad to see others are on the job. We shall be glad to compare our form with theirs and see if we can get together on a uniform system of reports. (Applause.)

Introducing E. G. Griggs, President of the Pacific Coast Lumber Manufacturers' Association

President Hines: Next on the list of associations I have the Pacific Coast Lumber Manufacturers' Association, which will be represented by Major Everett G. Griggs, president of the Pacific Coast Lumber Manufacturers' Association, and who has been a leading factor in a development which promises to result in lessening the number of our associations, while at the same time increasing our strength. To a certain extent association work on the North Pacific coast has been duplicated. Major Griggs, who will speak on the subject of association work on the Pacific coast, will undoubtedly explain the situation there as it affects the mill interests of that section and this association.

The Lumber Industry in its National Scope

BY EVERETT G. GRIGGS, OF TACOMA, WASH.

Our country today is suffering the pangs of readjustment of commercial activities, federal supervision and political control.

A higher plane of commercial enterprise will be established and ought to be.

An adequate federal supervision will satisfy the public and improve the service, and a change in the politics of the country will wipe the slate, clear the decks, disclose past mistakes, and the good old Ship of State, a little battered and disfigured, will weather the storm and bring us into port with colors flying.

I have too much optimism about me to think that any part of this great commonwealth can be domineered or ignored for long, its great resources handicapped and prosperity, so dear to us all, arbitrarily checked.

If we continue to bemoan the past we will never catch up to the present, and too much is at stake for us, as lumbermen, to idly mourn what might have been.

I come to you from the extreme West, the corner of this country which in Daniel Webster's time was not considered worth a load of hay—a territory which was won to the American galaxy of stars by the indomitable perseverance and will power of a religious leader of American settlers, Whitman, a name revered throughout the great states of Oregon and Washington, the man who brought over the mountains the first wagon, and whose persuasive powers convinced our Washington authorities that we had an empire worth saving. To me it seems but another evidence of that indomitable spirit that has been in evidence in our country since the landing of our Pilgrim forefathers.

THE DEVELOPMENT OF THE NORTHWEST.

Forests have given way to the axe and have been supplanted by fields of grain, or growing cities throbbing with commercial activities.

Not religious fervor of late, but commercial possibilities, backed by the same tenacity of purpose that controlled our forefathers, have influenced the up-building of the great Northwest.

It has taken men of brain, brawn, muscle and money to weather the storms of business depression and develop a country that is over 2,000 miles from the great hub of our one-time west, Chicago. We are so far away that we ofttimes think that the great centers of population, and even our Washington government, absolutely forget us and our troubles.

After all, we are but the descendants of that type of citizenship that has kept us in the forefront of the march of civilization that has made our country what it is today.

We are no better and no worse, I take it, than those of you who have developed the great Middle West, the South and the North. We are linked together for the common good. We are attempting to develop the resources of a great state that are alluring as your necesties in the East require them. Vast as the timber holdings of Oregon and Washington are, to us they can only have value as your necessities demand them.

We are timber poor in the West, and the lumber interests are so extensive in Washington that the whole state thrives or prospers as does the lumber business. Its pay-roll permeates every avenue of trade and its curtailment affects our buying power of nearly everything that you of the East manufacture.

Our logged-off lands await the coming of the settler, and their annually recurring crop will find a more ready market than the tree that requires centuries to grow.

We take strong exceptions to the demagogic charges and trumped up muckraking claims that we are timber barons, political body snatchers and commercial grave diggers.

REPORTS OF A "LUMBER TRUST" MENDACIOUS.

There is no grander calling on earth than the call of the West. It takes men to develop it and we want no yellow journalists or theoretical iconoclasts, nurtured and fed in the lap of an over-indulgent government that is continually misled by mendacious reports of an alleged lumber trust. Send to our country the best talent and investigators you possess and let them stay long enough to get a few slivers in their hands and hear the reverberations through our forests of a falling giant. Then, and not till then, will we expect *facts* to be disclosed regarding our industry.

The tree is not yet developed that will cut all high grade stock and we are still too far away from our great consuming markets to find ready disposal of more than 60 percent of the tree. They stand 200 feet high and cut out all grades from cull to clear, but with decreasing value on common lumber, any portion of the tree that is unsalable must be left in the woods, a fire menace if left, and too far from a market to be disposed of as wood.

FORESTS CONSERVED TO LIMITS OF COMMERCIAL POSSIBILITIES.

As our own population requires it, we naturally save every part of the tree that can be marketed. We are not wasting our assets. We are conducting our business along commercial lines, conserving our forests to the limits of commercial possibilities. Anything which tends to reduce the price we can get for our low-grade lumber necessitates leaving just so much more in the woods.

We find our interest on investment, our taxes and our supplies increasing, not ten, twenty or fifty percent, but on standing timber our taxation is increased from 100 to 300 percent in some cases. Our labor cannot live on

less wages, and the cost of labor is 80 percent of the cost of our lumber. Saw mills with us mean pay-rolls and that means cash.

DEATH KNELL OF YELLOW JOURNALISM SHOULD BE SOUNDED.

I believe it is high time we lumbermen speak for ourselves and directly to the ear of the American public. If yellow journalism, that hydra-headed sinister influence, continues its policy of antagonizing the interests of capital and labor, follows the idle dreams of lying, political demagogues; endorses sentiments expressed by political sycophants who think they can run the business of the country from the footstool of the Capital; I say again it is high time the business interests of the country sound their death knell in no uncertain tones. Let us have freedom of the press, all the publicity the law allows, give the facts to the people.

Conservation is a public necessity and the people will pay for it, but let us have an intelligent exposition of the facts, determined, if you please, by a non-partisan commission.

We are democrats and republicans and divergent in our views as to free trade or revenue or protective tariff. The lumbermen must not be blamed for a policy that gives birth to a tariff that reads, "You scratch my back and I scratch yours." Neither should we be sacrificed as a sop to the dear public to save the republican party. If we have to have free lumber, give us free labor conditions, free ships in coastwise market and Atlantic markets, free logs as well as free lumber, and let our protected steel industries, saws, cables and rails, be open to competition. Then, and then only, can our legislators justify their action.

The timber of the Middle West is well-nigh exhausted. The freight rates to distant points must be considered now in the use of lumber. It must carry that cost and some adequate compensatory return to the railroads, an

amount which is variable, as witness our fight with them to prevent an advance in eastbound tariff. Given a stable value, there is no doubt the theory and practice of conservation is most essential.

To cheapen the product by developing the resources of our neighbor either increases our waste or retards our development.

The State of Washington manufactures *more* lumber than any other state in the Union today. It is our chief industry, and when it languishes our state does not prosper, at least temporarily. I sometimes feel that it is a questionable honor to top the list in volume. Could we feel assured of an adequate return, not only to labor but to the owner of the stumpage as well, we would occupy an enviable field. It is the only crop of timber grown in 500 years and should pay a satisfactory profit and interest on investment when marketed.

Taxes and fires wait for no man, and the more the green belt of timber is opened up, the more the danger of that ruthless destroyer of property, the forest fires.

TRANSCONTINENTAL ROADS AIDED WESTERN DEVELOPMENT.

I have no sympathy for the men who decry spoilation of our western resources by the railroads. If we ever needed anything to develop our country it was the coming of the transcontinental roads.

The list of receiverships of the railroads to the West tell the story of financial disaster in their development, while the absolute assurance of enhanced value enticed capital into the investment.

Why continually deplore the loss to the country and not recognize the wonderful increased development in population, civic growth and available agricultural lands? Recognizing that there are many bad laws and evils to be remedied, it is clearly apparent that the man who howls loudest generally has never earned a dollar, or is earning his reward by howling.

I believe due credit should be given to the best brain and thought of the country that is endeavoring and has succeeded in giving prosperous development to our nation.

Should we tie up our resources and discourage the use of capital in the West, our population is soon affected and our country languishes.

WIDEST PUBLICITY WELCOMED.

I believe in the widest publicity in our business and associated affairs. No industry can afford to mislead the people. The best exposition of our national associated effort was in the conviction of Mr. Pinchot, the then Forester, that conservation of our timber resources did not mean free lumber. The high regard I have for him is due to my honest belief in his unquestioned integrity and his having the courage of his convictions. There are men today so low in their moral faith in business integrity to doubt the motives of our highest types of citizenship. I want to urge that the country needs more of that high type of citizenship; a higher moral plane and atmosphere will tend to elevate the rank and file of our legislators. The solicitor as well as the giver of bribes must be punished. In our advancing commercial and national greatness let us not forget the integrity of the nation will be what the majority of its citizenship demands.

The Pacific Coast Lumber Manufacturers' Association

E. G. Griggs: On January 10, 1901, ten years ago, less than a dozen manufacturers organized the Pacific Coast Lumber Manufacturers' Association. Desiring to widen our markets through associated effort and to increase our dynamic force in presenting claims for freight rates that would move the stock, we felt that a united effort would accomplish results.

In one year, with the dues at ½ cent a thousand, our membership increased to thirty-eight mills, with an annual capacity of 519,300,000 feet, our receipts reaching $2,448.77.

Our association now has a membership of 230 mills and a capacity of 2,200,000,000 feet. Our cash receipts approximate $30,000 in dues. Our association has adopted the policy of special assessment when any large amount of money is needed, as witness our freight rate fund where we raised approximately $70,000, and assumed bond indemnity responsibility amounting to over $200,000.

We developed a crowd of lumbermen who had faith in each other, and their association. To me this is the significant fact of our association work—confidence in each other, absolute elimination of politics and square dealing with every member.

I have been president since January, 1903, and in these eight years in my official capacity have had ample opportunities of observing the sacrificing efforts of association workers.

FIELDS OF ASSOCIATION WORK.

Our field of operation has been co-extensive with our state's development, and we have always found plenty of

work to keep us alive. We do not differ from other associations, I presume, but it is often hard to convince men of the benefits of these organizations. Where the membership is purely voluntary, it is essential that association work be always conducted on such lines as to hold those who join and urge others to become members.

The exploitation of our products, the standardization of manufacture, establishment of grades, inspection bureaus, dissemination of authentic information regarding supply and demand, the matter of freight rates, equipment, insurance legislation and workmen's compensation are among the many things in which we have interested ourselves.

For some years we have maintained an exhibit in Minneapolis, and we have taken our cue from our southern pine friends in this effort. To exchange views on the method of advertisement I think one of the desirable features of the National.

The establishment of national standards of manufacture and the elimination of wide variations in finished sizes will all tend to save money to the industry at large.

We should have a complete understanding of the grades of lumber suitable for the purposes intended and which compete with each other. It is poor business to manufacture grades so that the buyer can elevate the stock one and two grades by re-sorting.

CARGO INSPECTION BUREAU.

The permanent organization of our Cargo Inspection Bureau has established a certificate which in six years has become a recognized feature in all our contracts of sale. It determines finally and at the point of shipment the grades and tally, and has behind it the integrity of the combined shipping interests of our association. To all markets of the world that we reach and to our great coastwise market of California, it has become essential to both buyer and seller. Its existence would never have

been possible without the medium of an association, and I allude to it here as being a great step in the marketing of our products.

The collection and publication of authentic data regarding the lumber business is essential. It can only be done by competent organizations such as this and by coöperating with every other association.

In the matter of dealing with railroads, I want no more division of forces among the lumbermen. Our battle of today is yours of tomorrow.

There is a fellow feeling among the saw mill men of the country. We are manufacturing the same commodity—lumber—and must recognize the zones each particular stock can reach.

Regarding equipment, can any man doubt the car stake litigation would have resulted in permanent equipment, as it is with all other commodities, if we had conducted the case through such an organization as the National?

I consider our accomplishment of insurance organization on the Coast has been of vast consequence to our association members. The Lumbermen's Indemnity Exchange is strictly an enterprise of the lumbermen, and a successful one. Organized in 1903, it has been a predominent factor in our insurance world.

LEGISLATIVE MATTERS.

And what shall I say of legislation? In our states, where we have women's suffrage, commission form of municipal government, with its recall, the initiative and referendum, it may well be said that we are progressive, even to swelling our census. It is hard for the staid representatives of the East to realize the development of the West, and no doubt it is wisdom to check the overzealous booster spirit that often predominates.

Still, it is apparent that our forest fire laws, our workmen's compensation act, our lien laws, insurance code,

public utilities commission, all tend to show that we are alive to our interests.

Our theories and practice of conservation may differ from the ideas of those people who have nothing to conserve. Our association is keenly alive to the necessities of conservation of our timber and protecting this great asset from fire loss.

How quickly the idea of conservation loses its interest to the people of the great Middle West when the price of 2x4's goes up a dollar! And yet nothing will be conserved if it has no value. We cannot develop our country without manufacturing all grades that grow in the tree. If there is no market for the wood, it must be left to burn.

Population, which in the state of Washington, has increased rapidly in ten years, solves the problem of excessive waste, but the exploitation of distant markets must be made if we continue to increase our cut.

In ten years our methods of logging have greatly changed, and in twenty years they have revolutionized. From oxen to a flying machine is a transposition that is effected since I have been in the business.

Today we take twenty percent more out of the tree than ten years ago, and will so long as it pays to go into the rough timber.

I have had a number of photographs taken which I want to circulate here, showing in a way the character of logging over ten years ago, the condition of our logged-off lands and the stand of timber that we are cutting. Operating with heavy Shea locomotives, 50 to 60 tons, over 3 to 10 percent grades, to altitudes of 1800 feet and over, you will note that it costs something to handle timber in our country.

Our loggers are now gathered together in annual conferences to exchange ideas and methods, and I cannot but feel that our Forest Fire associations and Loggers'

associations have all been stimulated in their organization by our Lumber association. I have felt that we have need for all this effort, and particularly for the upbuilding of our National association.

TIMBER RESOURCES SUFFICIENT IF PROPERLY MANAGED.

Washington, with over two hundred billion feet of the finest growth of timber that stands, Oregon with three hundred billion of the same growth, have a century's development ahead of them, as where the timber is thrifty it increases in growth, and as values permit, will yield more to the acre than is at present cruised. Keep out the fire, protect the growth, sell everything in the tree, and we need not fear for our timber resources.

We insist upon conservation measures that conserve. It is essential that the people realize if there is a market for but 60 percent of the tree, and a profitable market for only 25 percent of the best grade, there is bound to be a loss in stumpage that cannot be stopped. Taxation will not admit of leaving the timber standing, and every portion of the tree will be sold that can reach a market.

I fully appreciate the necessity of wide publicity of facts concerning the lumber business, and believe it can best be attained through the National association.

New markets will be developed as facilities are provided by the railroads and canals, but wise laws must be enacted if we would preserve to America her standing timber.

Let the timber speculator, the man with capital, buy all the British Columbia timber he can secure. They encourage the investment by only asking a part payment when bought, and a final payment when cut; but let the Canadian country develop as their own needs require. They will never allow their country to be stripped of its timber without the location in their midst of the thriving towns established by saw mills.

Our country today cannot use the total output of our

own mills at living prices to the manufacturers. Why encourage further competition without providing increased markets?

In the states of Washington and Oregon, mills are running short time today because they cannot get orders to move their stocks.

Let the conditions improve and our states will increase their purchasing power tenfold, and the East will find a ready market for goods they supply.

We, as manufacturers, should see to it that our lumber is delivered to the consumer at a price which nets the manufacturer and the retailer a reasonable profit and no more.

We must encourage the use of our common low grade stock and secure rates that will place it at reasonable prices before the people. An intelligent study of the problem of the other fellow is essential to the successful marketing of our product.

(The chair called for George X. Wendling, president of the Pacific Coast Sugar & White Pine Manufacturers' Association, but his temporary absence was noted.)

Regretting Absence of D. E. Skinner

President Hines: I regret that Mr. D. E. Skinner, who represents in this association the Redwood interests of California, is not with us. He has devoted much time during the last six months to the interests of his section and of the lumber industry generally, having made the trip across the continent twice, spending in our behalf a good many weeks at the capital, but he felt he could not at this juncture further neglect his own business. There is no man in the country that has been more loyal and devoted to the general interests of the industry than Mr. Skinner and I feel that this statement is due to you on his behalf.

Southern Cypress Manufacturers' Association

President Hines: One of the most compact and effective organizations affiliated in the National is the Southern Cypress Manufacturers' Association. Small in numbers, but strong in the value of their product and in their coöperation, this association has made greater progress along some lines of association work than any

other. While we very much regret that the distinguished president of the association, the Honorable Frederic Wilbert, of Plaquemine, La., can not be with us, yet we are glad that the man who as secretary of the association has been so largely responsible for its success and has been an initiative force as well as an executive, is here to represent that association. I take pleasure in introducing Mr. George E. Watson, of New Orleans.

Mr. Watson: Mr. President, Mr. Wilbert, of the Cypress Association, instructed me to express his deep regrets at his inability to be present at this meeting. He desired to be here, but he could not come.

President Hines: You might advise Mr. Wilbert, if he desires to prepare an article he might do so and it will be printed later on.

(The president then called for Mr. Riggs, of the Southwestern Washington Lumber Manufacturers' Association, who was not present; also upon Mr. William Deary, president of the Western Pine Manufacturers' Association, who, also, was absent.)

President Hines: The question is up now as to whether we shall adjourn shortly or have the continuation of the program at the present time. I would like to hear from Mr. Gilchrist about that, because I understand he has prepared a very able paper, and has given the paper considerable thought.

Mr. Gilchrist: It has been suggested that it be postponed until later. That is the understanding of some of the gentlemen who intend to join in the discussion.

(A recess was than taken until 8:00 o'clock P. M., but later the recess was extended until 9:30 a. m. Thursday.)

THIRD SESSION

Thursday Forenoon, May 25, 1911

The convention was called to order by President Hines at 9:45 o'clock, a. m.

President Hines: Gentlemen, there appears to be some misunderstanding in regard to the proper manner of electing our Board of Governors. The by-laws prescribe that each delegation shall elect its chairman, which chairman necessarily becomes one of the Board of Governors. In the past it has followed that the president of the affiliated association becomes the chairman of the delegation, and one of our Board of Governors. This rule, however, need not necessarily be followed. Your respective delegates can choose from your associations whoever you feel are the best men qualified to place on the Board of Governors. This board, being the executive body, it is most important to your officers to have chosen the men best qualified and those who will serve and attend the meetings and assist your officers in the handling of the very important subjects coming before them. Therefore, I hope the members will be very careful in choosing such a member as in their judgment seems best qualified to represent their respective districts and make the most able governors possible. Also it is important that such meeting and selection of your governor for the board be made sometime prior to the afternoon session. I will first call for the report of the Committee on Credentials.

Report of Committee on Credentials

Chairman Edgar Dalzell: Mr. President, the Committee on Credentials has the following report to make:

The Committee on Credentials finds that the following associations are entitled to the number of votes set opposite their respective names:

Georgia-Florida Saw Mill Association (Inc.).....10
Western Pine Manufacturers' Association.....11

North Carolina Pine Association (Inc.)..... 9
Southwestern Washington Lumber Manufacturers' Association... 4
Michigan Hardwood Manufacturers' Association..... 6
Pacific Coast Lumber Manufacturers' Association.....32
Northern Hemlock & Hardwood Manufacturers' Association..... 9
Northern Pine Manufacturers' Association.....17
Southern Cypress Manufacturers' Association..... 7
Hardwood Manufacturers' Association of the United States..... 9
Pacific Coast Sugar & White Pine Manufacturers' Association 1
Yellow Pine Manufacturers' Association.....44
Redwood Manufacturers' Association.....

Respectfully submitted,

Edgar Dalzell, Chairman.

(Upon motion by Mr. Blodel, seconded by Mr. Fullerton, and duly carried, the report of the Committee on Credentials was adopted.)

Report of the Secretary

George K. Smith: Mr. President and Gentlemen, I sent to Chicago with my private secretary the only report that I have, which is similar to the report I made a year ago, indicating that my duties as secretary were simply to keep a record of the changes in the membership of the various affiliated associations and the output of the associations, and from that arrange for the assessments, see that the assessments were collected and turned over to the treasurer.

I believe that the figures on which the Credentials Committee has just reported were taken from the memorandum that I made up as my report. Owing to the fact that the activities of the association are handled through the office of the manager, I did not take any active part in that work. For that reason the report of the Credentials Committee, barring, possibly, the annual output of each organization, will comprise all of the report that I have to make.

I wish to say that I regret exceedingly that I was detained yesterday. I made the best talk that I could to get away, but my evidence was not all in at the trial that is now on before the Supreme Court of Missouri and

the attorney-general, with regrets, as he said, could not excuse me until Tuesday noon; but I am here now and very much pleased to be with you. (Applause.)

President Hines: A change in the by-laws made at the last annual meeting at New Orleans, Section III, of the Constitution, page 5, reads: "A Vice-President from each affiliated association to be nominated by each said association." Therefore, genetlemen, in addition to the nomination by each affiliated organization of a chairman and a governor, you are also authorized, and it is your duty, to nominate a vice-president, representing directly each one of the affiliated organizations, and have such nomination in readiness before the afternoon session.

Introducing Harrington Emerson

President Hines: Industrial efficiency is a subject that has been played up to the American people during the last two or three years in a somewhat startling way. Senator Aldrich has been reported as saying that he could save three hundred million dollars a year in the operation of the national government by the application of sound business principles. Mr. Brandeis, of Boston, testified before the Interstate Commerce Commission that the railroads of the United States could save a million dollars a day by the application of the same sort of economies and efficient methods used by the better class of private concerns. This and other similar statements have attracted great attention. We all realize that there is a solid basis of fact underlying all such statements, although in particular instances they may be exaggerated. I would not accuse Mr. Brandeis of seeking to steal another man's thunder, and yet I have been reliably informed that the man who studied the inefficiency of railroad management to such purpose that he was able to state a saving of one million dollars a day could be effected is with us today. The principles of efficiency are applicable to every line of business, but more especially, as I take it, to the industries in which labor constitutes the bulk of the cost. It is not only efficiency in the application of machinery, but in its use; not only in economies of material,

but economies of labor. I take great pleasure in introducing to you a man who has studied the lumber industry, and so is especially competent to speak on the subject, "The Principles of Efficiency as Applied to the Lumber Industry." Mr. Harrington Emerson, of New York.

The Principles of Efficiency as Applied to the Lumber Industry.

BY HARRINGTON EMERSON, OF NEW YORK CITY.

Mr. President and members of the National Lumber Manufacturers' Association: Just before I left New York, an American lady, who had been many years a teacher in Japan, told me the following Japanese fable: "There was an old badger that lived out in the woods with a hermit, and they lived very peacefully and happily together for many years. Finally the badger said to the hermit: 'Isn't there anything that I can do for you to pay you and show you my appreciation of the great kindness that you have shown me?' And the hermit said, 'Yes, there is one thing I would like. I would like to have some money, so that when I die the money can be used to say prayers for my soul, and I don't know how to get any money, and if you will get me some I will feel very gateful to you indeed, but that money must be gotten honestly.'

"The badger went out, thought over the problem and became very sorrowful, because to get any money is hard work, and to get money honestly is even harder. He finally thought out a plan, and without saying anything to his old friend he went away and was gone for four years, and the hermit thought he had been killed and mourned his absence. But at the end of the four years the badger came back with four little sacks of gold, and he said, 'Here is the money so that prayers may be said for your soul when you are dead.'

"The hermit said: 'Where did you get the money?' The badger said: 'I went out and thought about that problem; I became very sad, because it seemed to me that it was going to be exceedingly hard to get the money that you

needed and to get it honstly, and I suddenly thought of the abandoned gold mines up in the mountains, and so I went up into the gold mines where there was a dump from which the miners had extracted most of the gold, and I worked on that waste dump for the four years and I recovered a certain amount of the gold that had been left there, and that is now what I bring to you.' And he said: 'That money is honest money, because it has been taken from no one, and would otherwise have been entirely wasted.' "

ELIMINATION OF WASTE.

That is the fundamental conception of the modern doctrine of efficiency, that we eliminate wastes and from the money that is obtained from the elimination of wastes, greater wages can be paid, greater profits can be paid, and greater returns of investments generally. Thirty-five years ago Mr. Corliss followed the same plan. He realized that a great deal of coal was being wasted and he developed an engine that eliminated a great many of these coal wastes; but he found manufacturers very skeptical about employing his engine, so he made them the proposition that if they would appropriate for a term of years the same amount of money that they had previously spent for coal, he would install his engine and take the pay out of the savings in the coal bills, and at the end of the time they would have the equipment, they would have the new installation, with all of its possible economies, and he would have been paid simply out of the waste that he had saved during the few years of the term of the contract. That same principle is applicable to every industry. There is no industry with which I am acquainted, or have examined into, where great wastes are not occurring. We measure wastes by costs. There are wastes of money, wastes of time, wastes of effort, and wastes of material. Now, in analyzing costs, they can be divided into twenty-four different items. It does not make any difference whether it is all of the railroads of the United States being considered, or whether it is a

separate operation; they can be subdivided into twenty-four different operations, and of those, two are up to the worker, and the other twenty-two are up to the management. So that, for most of the wastes, I hold the manager responsible, and not the worker, and the manager who knows the game can eliminate most of the losses in spite of any antagonism that may be interposed by labor; and, moreover, it is inevitable that if you eliminate all of these different classes of losses the only result must be to increase the compensation of the laborer for the hours that he works, either indirectly, through cheapening the products that he uses, or directly by paying him more. There is no other possible mathematical conclusion. It is not an economic conclusion; it is simply a mathematical question; that if you eliminate waste, those who do the work must get more for the time during which they are working. Yet, recreant leaders of labor have denounced and are antagonizing the elimination of waste. That is because they do not understand the laws that underlie the whole subject, which are very simple.

BETTERING THE METHODS.

By better methods, more result is obtained at less effort, and with greater employment. Now, that is a universal law that has been in operation ever since civilization began, and the more that law is in operation the higher the civilization and the more rapid its advancement.

We can illustrate these things by taking very simple examples, with which we are all acquainted. A human being advances most rapidly between the ages of six months and three years. At that time it has the greatest common sense and the greatest ambition, and can set an example to all of us in the way it goes after matters. A baby, as you know, when it starts in to creep makes monstrous efforts and shows tremendous inefficiency; but as time goes on it creeps faster and more easily until it has reached the maximum ease in creeping, and it all results in speed. Then,

if it wants to go faster, it tries to increase the speed. It increases the effort, and there is very little gain, and the baby then, having common sense, suddenly resolves that it will adopt a new method; it will rise on its feet and walk like a man, and it substitutes for the former method of creeping the new method of walking, and in walking it starts out again with monstrous inefficiency and tremendous effort. It falls, it bumps its head, it meets with all sorts of disaster, but it is not dismayed. It rises on its feet and finally it can walk safely and faster, and progress even to running.

If the baby belonged to some labor union it would plainly see that if it rose on its feet and walked it would not be carried any more, and it would object; but we all know that, if the baby starts in and walks, after awhile there is another baby that takes up the creeping, and instead of the mother being hampered by the one child staying constantly in her arms as a cripple might, after awhile she has a whole brood of little children running around and walking, and being prepared to take up men's and women's work of the world, leaving only one in the mother's arms. Proceeding from walking that is not fast enough, the boy starts in to run; he cannot run as fast as he would like to, and so he takes to the bicycle. Still his own efforts. The maximum speed of running is about ten miles an hour; with a bicycle on a good road, you go twenty miles an hour. That is not fast enough, and we go to the motorcycle, at fifty miles an hour, and then to the aeroplane, in which there is less effort than the baby creeping, and you go at the rate of seventy-five miles an hour.

In hunting the hunter had to be tremendously diligent in order to make his living. A great German naturalist has said that the reason the gorilla has not advanced in civilization, even though he lives in a rich tropical country, is that he has to chase his food all the waking hours that he has. He works for his food and he has not any time

to improve. In agriculture the same law prevails, with greater returns and lessened efforts. In the shoe business, formerly a man made a single pair of shoes; a man made the whole of a single pair of shoes, and it may have taken him three or four or five days, and shoes were so expensive that the poorer people could only have one pair of shoes in three or four years and they went bare-footed, and wore these shoes only to church, or, as I have known them, they even walked through the mud to church and put on the shoes when they reached church; but now by the sub-division of labor we have far more people employed in making shoes than in the older days when the cobbler made the one pair of shoes, and everybody buys three, or four, or five pairs of shoes a year, and very few people go bare-footed.

Recently, in one of the lumber camps of the South, we looked over some of the wastes that were occurring, and as a result we recommended more effort, higher wages, more men employed; and the elimination of the waste through this greater employment, through these greater wages, through this greater effort, more than paid for all of the additional expense and left very considerable over.

I fear you will be disappointed in the title of the address, "Efficiency as Applied to the Lumber Industry," because I shall not be able to give you any specific examples, nor do I think it desirable to give you any specific examples of elimination in waste in lumber, for the reason that I care very little for methods, but a great deal about principles. If you know the principles you can apply the methods yourself. If you depend upon methods, on what some other person has done under some other circumstances, and ignore the principles, you will inevitably come to grief.

FUNDAMENTAL PRINCIPLES MUST BE RECOGNIZED.

In my work I care very little for methods and not very much about the skill of men. I care very much about the recognition and application of certain fundamental prin-

ciples, because I would rather have an ordinary man acting on certain principles than I would to have an exceedingly skilled man ignoring those principles and trying to succeed by the application of some special method.

Take such a thing as the preservation of the young. There are a million methods by which that can be accomplished, and then more, too, but the principle that underlies that is the love of the mother for her offspring. In New York there is a baby hospital in which they have the best physicians, the best nurses, the best modern methods, a foundling hospital, and in that hospital 98 percent of the babies die. In nature, whether it is a bird, a cat, a dog, a savage human being, the mortality is infinitely less than that. The New York hospital has methods and science, the method of nature is the principle of the mother's love. Similarly, a number of years ago, in Vienna, in one of the great lying-in hospitals, 4 percent of all of the women who went to that hospital died in childbirth. Outside, the women who did not go had only 8 percent of loss. The doctors knew methods, but they did not know principles. They did not know that they were communicating a blood poison from one woman to another, and that their touch was more dreadful than any danger that the woman might have run if she had been off by herself alone in a forest with no care whatever.

The American is intensely active, but he is so active that he has very little time to think. Recently a gentleman came into my office in New York and sat down for a few minutes and was discussing these questions, and he said, "An American gets up in the morning, dresses in a hurry; he eats his breakfast in a hurry; he hurries to his train; he buys the morning newspaper and upon the train into the city he reads the newspaper; he goes up to his office; he opens his morning mail; he dictates the answers; he has, perhaps, an appointment or two up town. On his road up in the subway he picks up some newspaper that somebody

has dropped. He looks at the comic supplement; he meets his friends for a few minutes, goes to lunch, talks over some matters with them; he goes back to the office, reads and signs up his letters; he starts for home; he buys a couple of evening papers; he reads them on the train; gets home; eats his dinner, and in the evening, perhaps, plays bridge whist." He said, "That man has been intensely active all day long, and he has not thought for thirty seconds (Laughter); he has substituted activity for thought."

INEFFICIENCY IN AMERICAN INDUSTRY.

That is one of the reasons that in American industry there is such a tremendous amount of inefficiency. We are all so busy that we haven't time to sit down and think about the work that we have in hand, and it has become such a national characteristic that if any one of us should go into the office of a friend and find the friend leaning back in his chair with his feet up on the table, nothing on the table, and smoking a cigar, we would feel a certain feeling of resentment; that he wasn't doing what he ought to be doing; that he was not at work; that somehow or another he was loafing, when, perhaps, he was doing better work than he had ever done before in his life.

The method, or plans, by which efficiency is attained in any industry are exceedingly simple. The first thing is to find out what the facts really are. That takes considerable time and skilled investigators. After the facts have been actually ascertained, the next thing is to involve standards for what they ought to be. That also requires further investigation. You now have two lines; you have the fact as it is, and you have the standard of what ought to be. Take such a thing as railroad operation. At one time I checked up the consumption of fuel on one of the large American railroads and I found that 267 pounds of coal were charged up against every thousand ton miles. That was the average. When we made actual tests of locomotives and weighed each pound of fuel that actually went

into the furnace, in order to generate the steam, we found it was about 80 pounds instead of 267. That gives you immediately the plan of action. The railroad was actually paying for 267 pounds. In test runs they only needed to use about 80 pounds, which became a standard. Here was the difference between 267 pounds and 80 pounds, and the next thing, of course, was to evolve plans to eliminate the difference, to change the 267 pounds into the 80, if that were possible. Perhaps your practical standards need not have been 80 pounds; it might have been 100 or 160. It might have been 200 after you had fully investigated, but here was the wasteful use of 267 pounds, and a possibility of using very much less.

So, when the plans have been made to eliminate waste, they are very much like a coat that a tailor has basted together for you when you order a new suit. You are the person that has to wear the coat, not the tailor; so, while he knows more about making the coat than you do, when you come around he tries it on and he says, "How does it feel?" You say, "It is a little tight under the arm." He does not question it; he immediately makes a check mark and is going to loosen it up on the arm. "How does it fit under the arm?" "Well, it is a little loose in the neck." "Very well." He fixes that, because you have got to wear the coat that he makes. So the plan that is evolved is laid before the owners and managers of the property, who have had a life-long experience in that particular line, even though they may not know very much about the principles of efficiency, and the owner of the property or the manager is asked, "How does this plan suit you?" "What objections do you see to that?" and the matter is then gone over between the expert and the owner of the property and a new plan is evolved that suits them both. The manager may say, "You have made a proposition here, but we know that that won't work. There are certain peculiar conditions here that will prevent that." So that has to be modi-

fied, or something else substituted for it; but ultimately a plan is arrived at. That is a plan not of the expert, not of the manager, but a combination of their combined skill. That plan, then, ought to go in through the authority of the manager of the plant. If he chooses temporarily to ask the assistance of some expert who may help him as to some of the methods, that is very much as the seller of an automobile will give you a chauffeur or a teacher to teach you how to run it, for a few days, before he delivers it to you. But the shorter that period, the quicker it is eliminated, the quicker any manager realizes that the attainment of efficiency is up to him and not up to some outside influence, the sooner results are going to be attained.

In order not to delay you, and, perhaps, to give a little time for questions in case you have any to ask, I have distributed one of our cards showing the twelve principles of efficiency as I have collated them, with the idea that they might not have been condensed into eight or that they might not have been expanded into a larger number than twelve, but simply because all the methods and plans I know can be properly collated into one of these twelve heads.

1. Denite Plans and Ideals.
2. Supernal Common Sense.
3. Discipline.
4. Competent Guidance.
5. The Fair Deal.
6. Despatching.
7. Reliable, Immediate and Adequate Records.
8. Determination of Standards.
9. Standard Practice Instructions.
10. Standardized Conditions.
11. Standardized Operations.
12. Efficiency Reward.

In going into a plant, what we do is to take the president and question him as to these principles of efficiency. It is not actually necessary to go into a plant or to know what they are doing, to know what kind of labor they have, to know what their product is, to know where it is situated. You can tell the efficiency of the concern by simply asking a certain number of questions.

What are the definite plans and ideals? What is their discipline? Are they practicing the fair deal? Do they have reliable, immediate and adequate records? Now, I have never been in any industrial plant anywhere in the world in which they had reliable, immediate and adequate records, and the moment you do not find the records reliable, immediate and adequate, you know that they cannot be attaining a very high efficiency.

Take the subject of competent guidance, or competent counsel. If I should say to the president of a plant, "Do you have any means of having the men who are doing this actual work under you give you advice as to how it should be carried on?" and he says to me, "I don't want them to butt into my business. I haven't hired them to give me any back talk; what I want them for is to do their work, and I will do the thinking"; the moment a man talks to me that way, I mark him down to about 50 percent. Then I ask him, "Do you allow any outsiders, outside people who are selling band saws, belting or lumber machinery, to come in and give you any suggestions as to the way you are managing your plant?" He says, "I don't want any outsiders coming in in that way. I have a superintendent; it is up to him. If he can't deliver the goods I will fire him and get somebody who can do it." I mark him down under the other element of "competent counsel" to zero; and I know that in any plant, a man without advice or suggestions from the men inside or from the men outside of it cannot be fully efficient, and therefore he is experiencing various losses. And so on, one can run through the whole of the twelve principles.

Efficiency reward is a universal principle, and the last of them all. Mistakes have been made in the past with piece rates and other forms of reward, by starting in before you were prepared for them. The condition should first be standardized; the operation should be standard before you can start properly with efficiency reward, but as efficiency

reward is one of the great principles of nature, and we are all working for a special thing, reward, it becomes in a plant one of the strongest methods that you can introduce to stimulate everybody, every worker, every foreman, every manager, right up to the top, if he has a reward that is more or less based on his own particular efforts.

President Hines: Gentlemen, have you any questions you would like to ask Mr. Emerson? He has very kindly stated that he would be glad to answer any questions that would be put to him. If not, we will go on to the next number.

Introducing George M. Reynolds

President Hines: I am going to take the liberty now of changing the program slightly. We have a speaker here who has come by special appointment. He is not one of our number, and we will try to accommodate his time to ours.

I think no industry, no line of commerce, is more sensitive to financial conditions than is the lumber business. It feels a panic quicker and suffers from it longer than any other. Notwithstanding we are dealing in a non-speculative commodity, the conditions of our business are such that above all others we need a sound and scientific currency system. Yet lumbermen have apparently taken very little interest in the subject of currency reform. If somehow or other we have been able to get currency enough to meet our pay rolls we have been satisfied, without inquiring very closely as to why it is difficult to get at certain times, or why at certain times when we did not especially need money it was to be had in abundance. It seemed appropriate that the lumber industry of the United States represented here today should be enlightened on this subject, and so you will be addressed on the subject "Currency Reform In Its Relation to the Business Man," by a banker. He is president of the largest bank in Chicago, the second bank in the United States. He laid the foundations of his financial knowledge in the intimate relations of a country banker to the comparatively small transactions of a country town. He is a real western product, born and raised in Iowa. He acquired his knowledge of the real needs of the people through his close personal contact with his customers, afforded by such a location. He used his oppor-

tunities to such effect that he has become one of the recognized leaders of finance in this country, a leader not only because he controls vast resources, but because of the breadth of his vision and his intimate knowledge of the relation between the science of money and the needs of the business community. He has been president of the American Bankers' Association; he is one of the chief advisers of the Currency Commission. I take great pleasure in introducing to you Mr. George M. Reynolds, president of the Continental and Commercial National Bank of Chicago.

Currency Reform in Its Relation to the Business Man

Mr. Chairman, Gentlemen of the National Lumber Manufacturers' Association: I am very glad to know that the bouquets have been handed in such profusion before my address, for I feel sure after it is over there will be very few forthcoming. (Laughter.)

I did not know until Mrs. Hines introduced me the subject of the address which I would be expected to talk upon, but it seems to me it is a very happy one. I am not advised as to who is responsible for its choosing, but in view of the fact that business, or rather that 95 percent of the business of this country, is done today upon credit, it seems to me a very fitting subject to discuss the relation of credit to the business man, because, certainly, the business man, in his everyday life, is deeply interested in the question of credit. I believe that, in the discussion of these topics, which are economic in character or national in their scope, we will all agree that the law of supply and demand should regulate in every instance. I am confident that you gentlemen in the conduct of your own business depend upon the law of supply and demand to regulate the quantity and the prices for your products.

Now the same thing is true with reference to banking. If the credits of our country are stable they must be supported by a sound currency and banking system, and while I am not here today to deliver an address upon the question of the deficiencies of our present system, I cannot refrain from at least calling your attention to the fact that I believe that our present currency system is deficient, principally in that the law of supply and demand cannot be applied to the amount of credit which is given in this coun-

try. Now, I think you will all agree that the volume of business itself must necessarily measure the amount of credit which should be extended for the successful conduct of that business.

PRESENT CURRENCY SYSTEM UNSCIENTIFIC.

Under our present peculiar national banking system, with its requirements for reserve which make it necessary for the national banks to carry in their own vaults the reserve which they carry against their deposits or against the credits which they extend, it is clearly wrong that the ability of our banks, under existing conditions, to extend credit, must be measured entirely by the money which they carry as a reserve against the credits which they extend. If our system is, as we believe, and as we contend it is, unscientific, in that it is not elastic, and neither will contract nor expand in response to the requirements of business, I think it must be clear that, when there is need for a greater amount of credit at one season of the year than at another, it is impossible to increase the credit which a bank can extend to a point beyond that at which it is able to secure real and lawful money to hold as reserve against that credit.

The safety of our business rests entirely upon the proper relation between credits and the reserves held against those credits, and under existing conditions, in order to conform to the governing laws of the present national banking system, there is created an inability on the part of banks, in extending credits, to go beyond the restricted limitations set by those governing laws, thus making it obligatory upon banks to confine their loans in proportion to the amount of money reserve which they carry in their vaults and not in proportion to the requirements of business.

I do not know, gentlemen, how you may feel about this question of currency reform, but it seems to me it is one that is of vital interest, not only to the business man but to

every citizen of this country. Under existing conditions, when you go to the local bank in the community in which your business is located and apply for a loan, if the relation between the reserves of that bank and the credits which it has already extended is proper, the bank can extend you credit and give you credit on its books for the proceeds of the discounts you offer; but if credit has already been extended to a point where a further extension would encroach upon the limitations of the legal reserve, the bank can take your paper and discount it only on the theory that it will be able to rediscount the paper elsewhere. Under our present system the bank in the smaller place, if it accepts paper in an amount greater than their own facilities will warrant, it expects to rediscount that paper in the reserve city, and possibly that reserve bank, in the last analysis, expects again to rediscount in the central reserve city. Thus, you see, in this system of rediscounting, it is possible to have exchange of credit in one city and another until the banks in the reserve cities shall have reached their limit of facilities to extend those rediscounts to their friends or the banks taking their paper.

INABILITY TO DISCOUNT FREELY DISTURBS CONFIDENCE.

There are three central reserve cities in this country: St. Louis, Chicago and New York, and so long as the general trend of business is such that the banks in those cities are in a position to discount freely for their correspondents paper offered to them from all sections of the country, business runs smoothly; but when conditions are such that we in the central reserve cities, by reason of our reserve requirements, are unable to extend further credit, the effect is immediately felt in all sections of the country; it is under these conditions that the climax is reached and confidence is disturbed.

A great many people are under the impression that what we need today is an immensely greater amount of money in

order to conduct the business of this country. I am not of that belief. While I believe that there should be established here a system of currency which will provide the necessary elasticity to take care of the proper and reasonable requirements of business, still, I am firmly of the opinion that what we need most of all is a central or well organized institution of some kind, given power, under warrant of law, to extend credit to the extent of the real needs for credit, when such credit is required for the successful conduct of legitimate business; and, perchance, if, in the extension of that credit, the amount involved should grow to such proportions as to warrant it, then the bank or the institution, whatever it may be called, should be given the right to issue its own notes, to be used as a circulating medium and carried as legal reserve in amounts sufficient to protect the credits once they have been extended.

We hear a great deal of discussion these days about the question of using a circulating medium and the kind of security which should be used as a safeguard against that circulating medium, but personally I contend these are of secondary consideration, upon the theory that almost the entire business of this country is done upon credit, and that all that is necessary to insure the safety of that credit, is to insure a conservative public opinion, a public opinion which has confidence in the stability and safety of your banking and currency system, which backs up your system of credits.

PRESENT CURRENCY SYSTEM ANTIQUATED.

Our present system of currency was inaugurated immediately at the close of the war and was designed as much for the protection of the credit of the government and maintenance of the value of its securities, as it was intended for a currency system itself. Considering the small volume of business done then as compared with the volume of business transacted today, it served reasonably well

for many years, and until the time came when we entered the wonderful period of development which we have experienced during the past few years, requiring an immense amount of money, the present national banking system seemed adequate.

I think it must be clear to you all, in the operations of your own companies, that if you undertook to conduct saw mill operations over a certain area (we will say eight to ten thousand acres), it requires only a given amount of money or credit, and it makes no difference whether you use money itself or credit; it takes only a specific and limited amount of money to do it. But if a thousand of you should be operating at the same time and each of you should undertake to develop, or rather to manufacture, products from 1,000 acres, or 1,000,000 in the aggregate, it must be evident that it would require one thousand times as much money or credit as it would if only one of you were operating.

In the old days, our present currency system met the requirements of our then limited business reasonably well; but with the tremendous growth of our business we have experienced a constantly increasing demand for some system which will provide credit in proportion to the requirements of business, and more in proportion to the law of supply and demand. At the present time there is only a given amount of lawful money in circulation in this country, in conjunction with which, according to the laws governing our reserves, there can be extended only a limited credit.

RESERVES FAIL TO FULFILL THEIR PURPOSE.

I can probably best illustrate the usefulness of the reserves required under our present national banking system by telling you a little story.

While in Berlin, as I was leaving the Deutsche Bank, in company with Professor Andrew and Mr. Davison, at the time the representatives of the National Monetary

Commission were making their study of the financial system in that country, there was a drizzling rain, and we hurried for a public cab-stand a quarter of a block away. Professor Andrew, who is now assistant secretary of the treasury, went to the cabby and, speaking to him in German, said: "We would like to hire your cab to take us to the hotel." He said: "I am sorry, Mister, but I cannot take you." Professor Andrew said: "You cannot take us? Why not?" "Well," he said, "because I am in reserve." Professor Andrew then asked: "What do you mean? This is a public cab stand, a place to which one would come for service of this kind." The man then replied, "Certainly it is, but," he said, "the laws of this city require that there shall be at this stand at all times one man to act as reserve." (Laughter.) So we walked home in the rain while that cab stood acting as reserve.

So it is under our present banking system today. We are, gentlemen, carrying, locked up in our vaults, in the city of Chicago, in actual money, 25 percent of our deposits to act as reserve; and for what? Presumably a reserve is carried to be used in times of pressure, when there is necessity for its use, but under our present national banking laws, if the comptroller of the currency sees fit to do so, he can close our institution if we do not immediately restore our reserve upon receiving notice from him of its impairment. What is the result? One of two things; either that the banker is obliged to violate absolutely the laws with reference to the requirements as to reserve, or he is forced to limit the credit which he can extend to his correspondents.

I am frank to say to you that in the larger cities, and particularly in the central reserve cities previously named, it has during the last three years occasionally been the practice of the banker to ignore the law rather than obey it, because he recognizes, when he fails to extend to the interests all over the country which trust him with their re-

serves and depend upon him for accommodations, that he interferes with the progress of business, wherever it may be located. The institution over which I have the honor of presiding has 5,500 bank correspondents scattered all over the United States. As I conceive it to be my duty in the management of that bank, I feel that anything which would make it necessary for me to restrict the ordinary and conservative demand for credit which comes to me, is an interference with the progress of business in any community, from which such application for credit comes, and what happens? When solvent people are unable to secure credit from the banks with which they carry their accounts, they become apprehensive and, indeed, excited. I once knew a man who said he would give ten dollars at any time to see a man scared, because he exhibited less sense than any other animal on earth. (Laughter.) So, when men who seek credit are unable to get it and know full well that they are solvent and that the security they are willing to offer for that credit is ample for the safety of it, confidence is disturbed. Thus, fear, displacing reason, prompts people to want to lock up money and hoard it; but bear in mind the hoarding of money never precedes the inability alone to borrow money, but always follows as an aftermath of inability to secure credit.

CHECK SERVES AS CIRCULATING MEDIUM.

I do not care where you go, your check, so long as it is in process of serving its purpose, even if it is for ten dollars given to your butcher, is a circulating medium and serves as a circulating medium to that extent until it goes to the bank and is charged against your account. And therein lies the secret of the reason we have had no more financial troubles in this country, in view of the inefficiency of our system, than we have had. It is due to the fact that with the growth of our business there has been a general growth in the amount of credit used in the conduct of that

business, and the further fact that it is the practice in this country for people generally, in the conduct of business, to use checks rather than actual money, that we have been enabled to bridge many a chasm which otherwise would have engulfed us.

I understand that I am expected to take only a few minutes here, Mr. President.

President Hines: I think your understanding, Mr. Reynolds, is an error. Take all the time you want.

Mr. Reynolds: It is pretty warm, and I will not therefore talk long. I only want to say that a careful consideration of this subject by any man would require at least two hours' time; therefore, I cannot say much in twenty minutes. So what I shall have to say to you will be only by way of "hitting the high places," as is expressed in street vernacular. If I were to undertake to make an analysis of the situation which would follow in sequence and undertake to express my opinion as to the adoption of new laws to remedy the present laws, I would require a greater length of time than you have placed at my disposal. Therefore, I must content myself by talking at random and jumping from one place to another rather than following in sequence from the beginning to the conclusion of the subject.

ALDRICH BILL RECOMMENDED.

I believe that if the average citizen in this country today could have a comprehensive understanding of the requirements of business, the fulfillment of which would permit us to progress in the future as rapidly as we have in the past; i. e., if the masses of the people could understand as you and I understand the needs for currency legislation, we would encounter no difficulty. It would be absurd for me to recommend to you, gentlemen, that you should continue today to use the type of machinery which you used in your mills fifty years ago. You know the indifferent degree of success of the man of today who sticks

to old-time methods in preference to new and modern methods. The same thing is true in relation to financial matters as applies to the saw mill or any other line of business. If we go on with this great development, if we go on with the great accumulation of wealth in this country, we must provide better facilities with which to do the business. There is no question about that; and I am here today to urge you, gentlemen, not only to give a little consideration yourselves to the necessity for currency legislation, but to urge upon you to do what you can to bring home to those who have an influence with your representatives in Congress, the necessity for such legislation.

I want you to bear in mind that the proposed bill, generally called the "Aldrich Bill," is your bill and my bill as much as it is his. I want you to feel that it is a democratic bill as much as it is a republican bill, and vice versa. I want you to know that it provides, as I believe, a remedy for most of the existing evils that are now confronting us, so far as our currency system is concerned. I do not believe the passage of this bill would be a panacea for all of our financial evils, for so long as the human mind is determined to go into speculative deals which bid fair to yield great profits rapidly, so long as people fail to take into consideration the proper relation between money and credit—or rather the proper relation of credit in proportion to the actual legal money in reserve against that credit —just so long there will be infractions of all economic rules, and, naturally, as long as you violate economic rules, you will bring about an interruption to business. But I do say that the enactment into law of the so-called Aldrich currency plan will create a definite means of preventing these serious spasms of contraction or compression of business, which are invariably followed by panics that leave in their wake such disastrous effects.

If this bill becomes a law I firmly believe it will protect us against such calamities because the bill is framed with

a view to limiting the amount of credit which this central reserve association may extend to meet the reasonable and legitimate requirements of business.

ESSENTIAL FEATURES OF PROPOSED PLAN.

Now, those who have had in charge the preparation of the proposed plan for currency reform have kept in mind three essential principles as being necessary to any plan, if it is to be successful. First, that we should have an institution which would be able, under ordinary conditions at least, to extend credit in proportion to all the legitimate and reasonable requirements of business; and, second, that it should be able to issue its own notes, to be used as a circulating medium, in proportion to the requirements of business; but furthermore, and in addition to all this, it should be safeguarded to such an extent that the credit so issued by it should be used entirely in legitimate lines of business and without any use whatsoever in speculation or speculative matters; and with this in view there will be included in the bill the proviso that both the national and state banks of the country may, if they so desire—there being nothing in the proposed bill making it compulsory for banks to become members—join in subscribing to the capital stock of the Central Reserve Association; and once having done so they will have the right to discount with this association an amount of paper equal to 100 percent of their capital stock, providing such paper does not run longer than twenty-eight days after it has been discounted, and provided, also, it has been dated thirty days prior to the time it is offered for discount. In some sections of the country they say that this is not a sufficiently long time. I can best answer that question by saying that, a short time ago and before this bill was given to the public, Mr. Aldrich invited twenty-five bankers from the various states of the country, I among them, to meet with him in Atlantic City with a view to discussing this bill and pointing out

any weaknesses which they could find in it, and recommending any changes which they thought would be beneficial in any respect. These bankers all went there armed with recommendations. They all had manuscripts prepared in advance, to make this recommendation or that recommendation, but after the recommendations were offered, we began debating them, and before we had finished, we found that the bill, as it stands today, provided for almost everything that every man there asked for. Consequently we came to the conclusion that it properly provides for the necessities of every locality and for every community as well as for the country at large. And the result was that the twenty-five bankers voted unanimously to recommend the bill to the bankers of the country with but a few minor changes.

REMOVED FROM POLITICAL INFLUENCES.

One of the changes was to take away from the President of the United States the power to appoint the governor of the bank. The original draft of the bill provided that the governor of the bank should be appointed by the President from a list of names furnished by the directors. He could not go outside of this list of names to find a man to appoint, but the position was taken that, in view of the fact that the directors themselves were elected from all sections of the country, under an ingenious plan which made it impossible for any section of the country to gain control of the management, since they could restrict the list of names given to the President to as many or as few as they wished, to even one, if they wanted to do so, it would be better to take it that much farther away from politics and it was suggested that the President should have nothing to do with the appointment of the governor. Under the constitution of the United States, the President must have the right to revoke or to declare vacant the appointment of any man to any office to which he has the

right of appointment, and consequently we feared that that might leave a loophole for some criticism, because of the fact that an incoming President, representing a different political party than that which had preceded him, might feel that he could do something for his party by removing the governor of this bank; and the result of it all was that we recommended that the appointment of the governor be left to the board of directors, composed of forty-five men, coming from all sections of the United States, thus removing the governorship that much farther from political influence.

Senator Aldrich's plan provided that the national reserve association, in addition to taking over the notes now issued by the national banks of the United States, should have power to issue additional notes, secured by gold coin and commercial credits, to an amount necessary to meet the fall requirements and the reasonable requirements of business at other seasons of the year. His requirement originally was that the first one hundred million dollars of notes issued, in addition to the bank notes at present outstanding, should be taxed at the rate of 3 percent and graduated to 6 percent on all notes of this character issued in excess of three hundred million dollars. We regarded this as unscientific, in the first place, and arbitrary in the second place, because no man, in view of the rapid growth and development of this country, can know the amount of credits or money that will be required ten or twenty years hence. Therefore, we felt that was penalizing and restricting business dependent upon some man's judgment, and after discussion of the matter with Senator Aldrich and the Monetary Commission, they agreed with us that that clause should be eliminated, and that this institution, if established, should have a right to issue circulating notes of its own to meet the reasonable requirements of business, on the following basis: First, that there should be no tax on the notes, for the reason that any tax levied must ulti-

mately be paid by the people, and that, inasmuch as the government in the second instance would be sharing in the profits of the business, the people should not be taxed for the use of the instrument so necessary in the conduct of their business, and thereby increasing the profits, which the government would receive at the end of the year. So it was agreed among ourselves, and accepted by Mr. Aldrich and the Monetary Commission, that we would substitute for that clause an arrangement something like this:

MANIPULATION BY SPECULATIVE INTERESTS PREVENTED.

That we agree upon a basis of reserve in lawful money which this institution should carry as against all of its credits, both foreign notes and loans or rather deposits, and that so long as that reserve is kept, this institution shall have the right to issue its notes, properly secured, as I have before stated, without any tax; but once its reserve reaches the maximum agreed upon—and I think it will be easy to determine what that should be, although it has not yet been settled—that for every reduction of the reserve below that amount the notes put out should be taxed in increasing ratio, thereby penalizing the communities or sections of the country that would be inclined to borrow money in greater amounts than would be required for the legitimate requirements of the business.

I think you can readily see, in the first instance, that if loans, secured by stocks and bonds as collateral, are not admissible at this institution for discount, the securities of the so-called "interests," or Wall street securities, will not be admissible.

So far as I am concerned, I believe that that phase of this matter has been safeguarded absolutely and perfectly. I do not see how it is possible for speculative interests, representing securities such as are dealt in in Wall street, or in our La Salle street, to have even a "look-in" at this institution.

We have tried to provide against that in not allowing discounts secured by collateral of that kind to be admissible, and we have specifically stated that stocks and bonds will not be permissible as security for discounts offered at this institution.

Now, with reference to the length of time that a note shall run after it has been discounted at this institution; some men, and particularly southern bankers, at first blush, say the time specified is not sufficient. They say: "It takes two or three or four months to move our crops." What if it does? The restriction is that discounts shall be given to banks that are members of this association in an amount not to exceed the capital stock of the borrowing bank, and that the aggregate of such notes bearing the endorsement of any one person shall not exceed ten percent of its capital and surplus. Whenever banks do discount with this association notes that mature in twenty-eight days, but which will not be paid in that time, they can keep their line full by substituting new notes maturing within twenty-eight days, during the entire period of the crop moving season within any territory, and they can carry credits whether they run for thirty days or three or four or five months; and so long as they are restricted in the amount of the discount they can get, what difference does it make whether the maximum amount of the time is twenty-eight days or three hundred days? The twenty-eight days is an arbitrary figure, I know, but it is twice the length of time that a governmental institution in any of the European centers arbitrarily carries paper for any of its customers. I think statistics prove that in Germany, France and England fourteen days is the average length of the notes discounted by these governmental or central banks, and we believe, in fixing this figure at twenty-eight, that we would be serving the country well, so far as the extension of credits is concerned, and, at the same time prevent the over-extension of such credits.

SAFEGUARD AGAINST OVER-EXTENSION OF CREDIT.

The note, to conform to the requirements of the plan, must be dated thirty days prior to the day on which it is offered for discount, which, of itself, is a safeguard against the over-extension of credit. You will see that in the absence of that restriction, if a banker in some section of the country, a member of the association, should become hard up, it would be an easy matter for him to "manufacture" today, with the aid of a customer, paper which he could discount tomorrow. Therefore, in the process of its formation there have been kept in mind the three essential principles afore-mentioned, solely for the purpose of providing facilities only for the legitimate and proper conduct of business.

It is provided that all the note issues of the reserve association shall be secured by at least 33 1-3 percent gold coin. I think that amount should be modified to read 40 percent. We could make it 60 percent as well, because we have in this country today about $1,750,000,000, whereas in the Bank of England they are carrying only about $170,000,000 of gold.

As an object lesson, I direct your attention to the fact that in 1907, when we were in the midst of the panic, there was in this country $1,100,000,000 and the banks had in their vaults nearly $700,000,000 additional, and still we were powerless to extend to you the credits which your business requirements demanded. Why? Because there existed an improper relation between the reserve we had and the credit we extended. We appealed to London, London being the only market for gold, and the Bank of England furnished us, or sent to this country in a period of less than eight weeks, $125,000,000 in gold coin, which served us in our extremity; and it seems to me, when you take into consideration that the Bank of England, during the entire year of 1907, only carried $160,000,000, or but $40,000,000 more than the amount they sent us in six

weeks, that that is the greatest object lesson which can be cited as to the practical working of this system when it is put into effect.

USE OF STOCKS OR BONDS AS COLLATERAL PROHIBITED.

To illustrate a little further in the matter of excluding speculative transactions from this bank, if it is ever established: In Germany, where they call their stock exchange loans "Lombard loans," the rate of interest on those loans is one-half to one percent higher than they are on the current commercial loans, and why? It is because they do not regard them as quick of liquidation as commercial loans. In this country, working on the reverse theory, the banks of the country carry their stock exchange loans, secured by stocks and bonds as collateral to the notes, upon the theory that they are quick loans, because they can go out and sell them, which is true in a sense; but when the recent panic overtook the country I think you will all recall that bonds, and high class bonds, too, slumped in price from 15 to 20 points during that panic, and I think you will all recognize the fact that if you had undertaken to sell any considerable amount of them, you would have caused a still further depreciation in their values.

We propose to avoid allowing any of these securities to be used in any way whatsoever. We believe that we have safeguarded that condition as well as it could possibly be safeguarded.

I want to say also that in the insertion of this clause prohibiting the use of stocks or bonds as collateral to loans made with the reserve association, the majority of the commercial banks of New York City have coöperated with us to the fullest extent. They did not want this class of securities used as collateral any more than we did, and the truth is that in naming a definition of what should constitute commercial paper—that which would be subject to discount at this bank or be admissible as security for the

notes which this bank should issue—the New York bankers have been insistent upon our stating that stocks and bonds should be barred. I would not be fair to them if I were not to say in this instance that the average New York banker recognized full well that the condition which brings to the whole country the greatest measure of prosperity will bring to them individually a greater measure of prosperity than if they were to profit by the advantage which they would derive through the admission of the class of securities of which they are the largest holders, and the spirit of fairness and the spirit of broad-gaugeness which they have shown in this thing has been one of the most pleasant experiences I have had in connection with my work upon this bill.

As I have before stated, I believe that the adoption of this bill will solve most of our financial problems. So long as we are in a stage of development, and so long as the opportunities for speculation are such as to offer rapid and large profits, just so long will we have speculation and just so long as we have speculation will it be necessary to apply restrictions more or less all along the line.

NATIONAL RESERVE ASSOCIATION WOULD MEET REQUIREMENTS.

But we believe that the National Reserve Association, if it is established as outlined in the proposed bill, will be provided with sufficient restrictions to check and hold within reasonable limits such operations, and at the same time provide for all reasonable and legitimate requirements.

Banks, in order to avail themselves of the privileges of discount with the National Reserve Association, must be members of local associations, which local associations must represent a membership of at least ten banks, of a combined capitalization of $5,000,000; and the plan has provided as a further safeguard that, in case of a serious depression or a panic, a member of the local association can

secure additional credit (the amount of which will be determined by the association) through discounting its paper with the reserve association under the endorsement of the local association, for which endorsement that association may make a proper charge.

As I have said, I can only touch upon a few of these points which seem to be most important, and I cannot undertake to go into any lengthy discussion of the subject, as I have already taken as much of your time as I feel I should.

I want, however, to urge on you two or three things that we must all keep in mind, namely: the passage of some law which will provide for currency reform which will be sufficient to meet the requirements of our business. First of all, I want you to bear in mind that this association, if it be established, will not be a radical departure in its mode of operation. It will be an association of banks themselves, with coöperation between them, just as your association is an association for coöperation between the lumbermen of the country. No one but the banks of the country will own any of this stock; no one other than the banks of the country shall have the right to determine who will have the management of the institution, because the banks of the country will elect the directors of the fifteen branch reserve associations which will be established in fifteen different sections of the country, with a view to giving every section of the country exactly the same privilege that every other section has.

BILL SHOULD BE REGARDED AS NONPARTISAN.

It seems to me that we have safeguarded all those questions as best they can be safeguarded in this country under our peculiar form of government, and it seems to me that the question of whether or not this institution is established depends largely upon the proper dissemination of information on the subject; and, too, it is largely a question of

whether or not we can keep it from becoming known as a partisan measure. If you, men like you, and me, and other business men throughout this country regardless of party affiliation, merely recognize the good, wherever we see it, and from whatever source it may emanate, we will have the moral courage to put this bill through and adopt it, recognizing that we have a troublesome currency system that has been ailing, and, in a sense, has been sick.

Knowing that it needs remedies, and that such a remedy as that suggested by Mr. Aldrich and the Monetary Commission seems practicable, it would seem a simple thing to apply the remedy and relieve the patient; but it is not so simple, because immediately the nurse, Miss Democracy, wants to know whether the attending physician is to be a republican or a democrat physician, and vice versa. So the whole success of this plan, it seems to me, hinges upon whether we can prevent it from being regarded as a partisan measure.

I know that Mr. Aldrich, as well as other members of the Monetary Commission, have never had in mind anything other than making this a people's measure. We believe that the requirements of the country are so great, and in addition that the meeting of those requirements depends so entirely upon the enactment of proper legislation, and we believe that the people of the country recognize this need so thoroughly, that they will rise above party lines and party prejudices and be willing to do what is necessary in the way of co-operation and the dissemination of information favorable to this bill to insure its ultimate passage.

PREJUDICE SHOULD BE OVERCOME.

I cannot leave the floor without referring to one thing. I was asked in Nashville a short time ago why we didn't change the name of the bill. I was asked, "Why do you call it 'The Aldrich Bill'? If you can eliminate Aldrich's name you will have no trouble in passing it. I said in

answer, "Let us assume that you have in your town some man that dislikes you. He sees your wife coming down the street leading your little boy by the hand, and he greets her with 'Good morning, Mrs. Smith; what a beautiful child.' 'Yes,' she replies, 'my little boy is a beautiful child; a splendid specimen of childhood.' Thereupon the man adds, 'I think he is a beautiful child, but I can't like him; I would like him a great deal better if you would call him Johnny Jones instead of Johnny Smith.' Do you think your wife would change his name?" The trouble with us all is that we are so set in our prejudices that we like to have everything conform to our own wishes.

This bill does not contain everything, probably, that any one man wants. It is the consensus of opinion of many; it is the result of a great deal of consideration and careful conference and a great deal of parley on the subject. It has been put together by taking from this or that suggestion that which is good and eliminating that which is bad. The great obstacle which we now encounter, as I view it, is the party prejudices raised as a result of the recent tariff legislation, which handicaps this bill at the present time. People say, "You should change the name of it." I say, the people should rise above that. (Applause.) If you and I will discharge our duty to our citizenship to the extent that we will study with an open mind and without prejudice these national problems as they come to us, and determine them upon their merits, we will have no trouble in the solution of any of them.

BUSINESS MEN NEGLECT THEIR PUBLIC DUTY.

Personally, I believe the currency question is the greatest problem before the country today; but it is not the only one. There are other great problems. The relation of wealth to the government, and the relation of capital to labor, and all such problems are important, and they are important simply because the forming of public opinion

has been left very largely to the demagogue and the politician. (Applause.)

I say to you, as custodian of an aggregate capital representing a quarter of a billion dollars, that I believe I owe a duty to the public in the discharge of my duties in the handling of that capital. I believe that the capital itself which I control owes a duty to the public, and if I discharge my full duty to the public I will see to it, in the use of that capital, that it serves its purposes, but, when it has served its use, I believe I have a right to ask you and other men like you to assist me in creating a sane public sentiment which will protect that capital when it has been used. If we leave the question of public sentiment-making to the politician and the demagogue, in the last analysis we will find that the pendulum is continually swinging from one extreme to the other.

We have been told that it is disagreeable to get into politics, and especially has that been said of bankers. The trouble with us all is that we have been so immersed in private affairs that we have neglected questions of state—a matter of habit and taste. And that is true because of the fact that we have been doing such great development work and have had such splendid opportunities for profit in our business that we have neglected many of the problems of national character which are disturbing business. In my opinion all these matters are the result of a lack of the proper discharge of our duties as citizens of this country; and I say to you that I have an inherent belief in the integrity and the honesty of the American people to such an extent that I believe the masses of the people want to do right on all these subjects. And if you and I and other men like us engaged in business will do what we can to help people see the light as it should be seen, and at the same time see that capital discharges its duty to the public as it should, we will soon harmonize these things and will be able to harmonize them only, as I be-

lieve, through a discriminating public sentiment which will be able to distinguish good from whatever source it comes and criticize and condemn the bad, no matter from what source it arises. (Applause.)

Manager Bronson: Gentlemen, the only social event for the convention as a whole is a theater party this evening, extended in compliment to the ladies and gentlemen of the convention by Mr. and Mrs. Edward Hines. Those who are arranging this matter on their behalf very urgently request that all those who would like to accept their hospitality for this evening immediately, or as soon as this session adjourns, see Mr. Fitzer in the anteroom parlor at the left as you go out.

I wish, on behalf of the chairman of the resolutions committee, Mr. W. B. Stillwell, to request, in view of the fact that no full meeting, perhaps no meeting at all, of the committee has been held, that they meet him in club room 6, just below this floor, at 11:30. It is unfortunate that we have to lose any of the attendance, but the work of the committee is extremely important.

Introducing J. H. Bloedel

President Hines: The Panama canal is being built primarily as a defense in time of war, or perhaps as a preventive of war; but war is never a normal condition of a modern industrial and commercial nation, and so more and more the Panama canal is being regarded as an indispensible adjunct to the industries and commerce of the United States. Yet, as a matter of fact, as things stand now, and if the national government does not take steps to appropriate some of its advantages for our people, the Panama canal will prove, I am afraid, to be of an advantage chiefly to our competitors in industry and trade, and perhaps a distinct disadvantage to our own. We propose to allow the use of the Canal by all countries—by vessels flying all flags—on exactly equal terms. In addition, there is no prospect of changing our coastwise navigation laws. The result promises to be that when the Canal is opened it will carry the commerce of other flags than ours; that

through it will be brought to our ports on either ocean the commodities originating in other countries than ours, on transportation terms with which our own commodities can not compete. We wish well to Canada and Mexico and every other country, but we do not relish the idea, we lumbermen, that the development of our own forest resources shall be retarded for the benefit of even those good neighbors. What shall we do about it? I fancy that is the question which the next speaker will answer in speaking to the subject, "The Panama Canal—Its Relation to the Lumber Industry of the Pacific Coast." Mr. Bloedel is one of the leading lumbermen of that coast. He is a student of industrial and commercial subjects. He is a valued member of the Board of Governors of the National association. I take great pleasure in introducing to you Mr. J. H. Bloedel, of Bellingham, Wash.

The Panama Canal—Its Relation to the Lumber Industry of the Pacific Coast

BY J. H. BLOEDEL, OF BELLINGHAM, WASH.

Mr. Chairman and Gentlemen of the Convention: I once heard Mark Twain tell a story of the early days on the Mississippi river. He stopped one night at a town down the Mississippi river where they were holding revival meetings. The revivalist was making the effort of his life to make a big collection for the foreign missions. Mark Twain says that he stayed there and listened, and that his enthusiasm was worked up to the point where he reached his hand down into his pocket and he gathered together all his worldly wealth, and he held it out in his hand, ready to put it into the contribution box when the man should pass his way; but, he said, the trouble with the minister was that he talked too much. He kept on telling of the needs of the heathen for Christian religion, and kept on and on, and the result was, when the contribution box finally came to Twain, he not only did not put in all the money he had in his hands, but he stole ten cents. (Laughter.)

Now, gentlemen, the subject of the Panama Canal is one that is of great interest to us on the Pacific Coast, and for fear that if I left it to talking I would talk too much, I wrote out something which, I think, covers the points that I have in mind.

Regarding the value of the Panama canal to our industry, there exists a wide divergence of opinion throughout the United States. Shipping men identified with water borne commerce are generally inclined to magnify its influence; and by the same token, those holding briefs for the rail-

roads assert its futility as a means of changing the routes of transportation. A noticeable stir was created recently by the publication of an interview in the Portland Oregonian by John F. Stevens, formerly chief engineer of the canal, but more recently president of one of the western Hill roads. Mr. Stevens' opinion, on account of his knowledge of the Canal and the West, is entitled to be heard with respect. Admitting that the Canal will benefit the Northwest in general, he yet fails to see how it will pay. And as to the movement of lumber from the Pacific coast to the Atlantic seaboard, he notes the East cannot receive a full shipload at any one point, nor will the Coast product stand the deck load exposure for so long a journey; and he says, "will not the Gulf coast cross-haul its lumber to the Pacific coast?" Hence, where is the benefit? The foregoing covers substantially the opinion of those who question the value of the Canal, and for this reason I am choosing it for my text.

The product of the North Pacific coast states in 1899 was 1,965,000,000 feet. For the year 1909, ten years later, it was 7,500,000,000 feet. Of this product approximately 1,500,000,000 feet, or about 20 percent, was water borne, the balance being consumed locally or shipped east by rail. Of the water borne commerce that portion which goes to foreign ports has increased only about 180,000,000 feet in ten years, our exports today amounting to only 400,000,000 feet annually. The increase in the production, about 5,500,000,000 feet annually, has been marketed entirely within ourselves. It is the home market that has absorbed the increase, and it is to the home market we must look for any absorption of the future increase.

Neither will the Canal shorten any present route to our foreign markets materially; but it does make of the United States a country of one continuous sea coast, a peninsula, as it were, with Panama City as its southern cape.

ATLANTIC COAST MARKET FOR WESTERN LUMBER.

There are no authentic records in existence showing the proportion of Pacific coast products which are now being marketed on the Atlantic seaboard by rail and water, but for the purpose of obtaining a clue, as it were, I have taken a fair average of the shipments made by leading Coast mills, and find that a total of from 5 to 10 percent of their whole product has found a market on the Atlantic seaboard. This business is done on very high rates—the highest, perhaps, under which any forest product ever moved, the fir rate being 75 cents, and the cedar rate 85 cents per hundred pounds. The makers of the tariff sheet made a grievous error in not providing a lower rate for low grade lumber, for as it now stands, our highest grade product pays the lowest rate and our low grade product the highest rate. To illustrate, I will give you the average freight paid on shipments of different grades of lumber from the Pacific to the Atlantic coast terminals:

	PER THOUSAND FEET.
Fir flooring	$15.00
Fir stepping and finish	18.75
Common rough lumber, timbers, etc	24.75

While I am not attempting to argue the inequalities of the freight rate problem at this time, yet the excessively high rate on common rough lumber neither adds to the volume of traffic moving nor accomplishes the purpose of conservation. High grade flooring or common rough lumber costs the same to the Atlantic coast dealer. If a rate can be found by rail or water low enough to enable the manufacturer to save an increased proportion of the tree he is now cutting, and if the Panama canal is the means of producing such a lower rate, it will, by the same token, have accomplished more in the cause of conservation than anything else. Conservation and low freight rates are twin brothers traveling the same road.

PANAMA CANAL TOLLS.

As to the rates that are likely to be made via the Panama canal, it will depend, of course, on the number and class of vessels available for that traffic when the Canal is ready for use. Owing to the protection of American shipping between American ports, our coasting fleet has grown until our registered tonnage is second among nations. But the same process extended to our foreign shipping has gradually eliminated our flag from the seas; but as Kipling says, "this is another story." The fact is, our coasting marine, being more or less of the "mosquito fleet" variety, is ill adapted for the long sea voyage of 6,200 miles from Puget sound to New York. Sailing ships are out of the question, for the "doldrums," off Panama, will effectively prevent their use; besides, they are being rapidly supplanted by the tramp steamer. The most economical vessels for the purpose will be ships of three to three and one-half million feet carrying capacity arranged for a one-way cargo. This does not presume that return cargoes will not be furnished, but merely provides for a degree of independence on the part of the ship owner. There is a considerable freight tonnage such as coal, steel rails, structural steel, pig iron, machinery and general merchandise moving, which will find the cheap rates attractive, and when so moving will reduce the cost of the return lumber transportation from the Pacific coast $1.50 to $2 per thousand. The Canal tolls, and these are not yet determined, will be another factor in the rates. Well posted shipping men state that a rate of $8 per thousand, exclusive of Panama tolls and figured on a one-way cargo, is probable. Enthusiasts have figured this rate much lower. Assuming that the Canal tolls will be a maximum of $1.50 per net registered ton allowed under the law, it would figure about $1 per thousand feet of lumber. This would make the rate $9, which would be reduced if return freight is offered, to $7.50.

DANGER OF UNEQUAL FOREIGN COMPETITION.

But now comes the danger of competition from our neighbors to the north, British Columbia. They are not hampered by our shipping laws, and can ship in any vessel flying any flag in the world. Even the United States government is, at this writing, employing a fleet of nine foreign vessels carrying coal from the Atlantic for its Pacific coast naval supply. These vessels could carry in return 33,000,000 feet of lumber. Now, if they go through the Canal on the same basis as our American shipping, they can make rates as low as $6 per thousand inclusive of Canal tolls. My attention has been called to several charters made last Fall, one of which was from the British Columbia side at $2 less than the other, which was from the American side. You naturally ask "why?" and I answer that an American-built vessel, carrying three and one-half million feet of lumber can be duplicated on the Clyde for one-half the money. Our American seamen are paid double and treble the wages of foreign seamen and our coasting requirements are much more exacting. That is why our foreign brother can save $2 per thousand feet in shipping to the Atlantic seaboard.

It appears from present indications that the reciprocity bill, now before Congress, will become a law, putting rough lumber on the free list, and, if there is no provision on behalf of American shipping overcoming this differential, all advantages to us, arising from the construction of the Canal, are for nought.

BILLS IN CONGRESS OFFER SOLUTION.

To provide for this discrepancy between American and foreign shipping several bills have been introduced and are now before Congress. House Bill 8663, known as the Mann bill, provides, among other things, for the free passage of any vessels engaged in the coastwise trade of the United

States, except when owned by a railroad. The Fordney bill, as introduced April 25, 1911, provides:

> "That all tolls and transit charges which may hereafter be imposed on vessels of the United States for passing through the Panama canal shall be paid from any money in the treasury not otherwise appropriated, * * * Provided, That all vessels benefited by this Act may be taken by lease or purchase, at the option of the Government, to be used by the government of the United States as auxiliary to the Army and Navy. * * *"

In other words, the government of the United States and not the owner of the vessel will pay the Canal tolls. You may say this is in contravention of the spirit of the Hay-Pauncefote Treaty of November 18, 1901, which provides, among other things, that "There shall be equality of the conditions or charges of traffic to all nations." But if it be such, it has the example of distinguished precedent. The commissioner of the United States Bureau of Navigation, in his annual report, states that the Suez canal tolls on vessels of either flag are paid by the governments of at least three European nations, and that at least one-fourth of the total receipts of the Suez canal are refunds of the respective governments of the steamships using the Canal. Why then need we hesitate? Is it fair to the commercial interests of the United States that an investment of $360,000,000 by our government should redound to the advantage of foreigners only? And that the enlargement of trade incident to the completion of the Panama canal should slip away from us? It is either this or a demand for free ships.

Assuming, then, that tolls will be refunded and that a water rate of $8 per thousand is a fair figure, it means that lumber will reach the Atlantic seaboard from Norfolk, Va., to Boston, Mass., at a figure of one-third to one-half the cost of rail transportation and in one-half of the time. It

will surprise you, as it did me, to learn that it takes forty-four days to bring a lumber laden car from Puget sound to the Atlantic seaboard, but such is the average time of cars in transit the past year. Well informed shipping men state the average steamer transit will be twenty-one days.

TRANS-SHIPMENT BY RAIL.

But you will say that the immediate market does not exist at the terminals mentioned and that the lumber will have to be trans-shipped inland by rail. I grant you that rail facilities at the terminals for distribution inland are absolutely vital; and I am confident that upon the establishment of these new shipping routes from the Pacific coast, joint tariffs for interior distribution will be made as far west as the Ohio valley. In fact, distributive rates will cease only where the east-bound rail rates from the West will meet them. It will mean the establishment of wholesale distributing yards at Atlantic coast terminals, the same as are now being maintained at the large distributing centers, such as Minnesota Transfer, Chicago, Tonawanda and elsewhere. Timbers as large and as long as the log will make will be shipped in the rough for the purpose of resawing into stock sizes. Deals and cants of clear lumber will also be shipped in the rough and manufactured into flooring, ceiling and siding as the orders may require. With a market for all the lumber by-products, now a sheer waste at the mill, in fact where everything can be sold but the noise, it seems to me there is no room for doubt that there will be a tremendous development of the Pacific coast lumber industry in this direction. Some years ago, before the depression in the lumber market, one of our principal export mills maintained a wholesale distributing yard in New York City, shipping some ten cargoes via the Straits of Magellan at a rate of $14 to $16 per thousand. Another Coast concern shipped several cargoes of cedar products, including shingles. Much of this latter shipment was lightered to Albany

for distribution along the Erie canal, thus demonstrating what could be done were our inland waterways developed. It is a well-known fact that there is a considerable movement now of lumber via the Tehauntepec route through Mexico, and also via the Panama railroad, but these shipments are only the straws indicating the course of future commerce.

MISSISSIPPI VALLEY GREATEST MARKET FOR WESTERN PRODUCT.

You will argue that diminished traffic will disturb rail rates, and that to meet new conditions they will be reduced. I question very much that traffic will be reduced; there may be an adjustment of rates, but hardly a reduction; a blanket rate, based on Chicago, may be necessary in order to protect the extreme eastern market. But the Prairie states of the Mississippi valley are unquestionably the largest natural market for the western product. The gradual failure of their other sources of supply from nearby markets, such as Minnesota, Wisconsin and the South, will be our gain and the railroads' gain, for the latter will obtain a greater profit from the long haul than from the former short haul. Local traffic on the Pacific coast will increase. While many of our mills are situated on deep water frontage and capable of loading any vessel afloat, yet the interior mills will ship by rail to tide water and from there trans-ship, the same as is done on the Gulf coast. The disadvantage of the rail haul is more than offset by the cheaper raw material in the inland district. And what I have stated particularly of fir products applies with equal force, though in a lesser degree, to our manufactures of cedar, both lumber and shingles, and our redwood.

Nor is the Pacific coast alone in this game. The Gulf coast will no doubt export considerable yellow pine of certain grades to the west coast of South America and into Mexico, and this is the cross-haul referred to by Mr. Stevens. It is a well-known fact that lumber of different species has different uses and adaptability. One of the largest

shipping merchants of the Pacific coast recently took a cargo of fir ties to China and a return cargo of oak ties from Japan to Mexico. The return cargo reduced the freight on the fir. The Mexican would have nothing but oak, so why is a cross-haul not profitable?

I am an optimist, but hardly an enthusiast. I believe that the development of the Pacific coast by virtue of the completion of the Panama canal will be tremendous, and that it will be to the gain of all parts of our country and to the detriment of none. But above all else the Canal stands out as a monitor of transportation, a sort of traffic policeman standing at the crossing of the continents, with more inherent power for regulation of transcontinental rates than the Interstate Commerce Commission.

(After reading his address Mr. Bloedel read the following article, published in the Portland Journal of May 18:)

The steamship Mackinaw, of the California-Atlantic Steamship Company, which has just extended its service to Seattle, arrived on Puget Sound last night from San Francisco. The Mackinaw will go on dry dock for inspection either today or tomorrow, and Saturday will go to Tacoma to load a shipment of one million feet of lath. She will shift to Ballard later, where she will load 700,000 feet of lumber and will complete her cargo at Everett by taking 1,000,000 shingles.

The Mackinaw will have the first full shipment of lumber from Puget Sound for New York via Panama, and Capt. Omar J. Humphrey, who is the Seattle representative for Bates & Chesebrough, of San Francisco, general agents for the line, says that if sufficient tonnage can be obtained the California-Atlantic Steamship Company will operate vessels on a monthly schedule from Seattle.

The Mackinaw was chartered last fall from Schubach & Hamilton, after her return from her last voyage to Nome. She is the largest of the California-Atlantic Steamship Company's fleet, and is 345.6 feet long, 40.9 feet beam and has a depth of 26.6 feet.

The other members of the fleet are the Riverside, the Navajo, the Stanley Dollar, the Olson and Mahony, the G. W. Fenwick, the Pleiades and the Leelanaw.

The Canadian Pacific steamship Monteagle, which arrived at Victoria last Thursday from the Orient, proceeded yesterday to Mukilteo, where she will load 1,500,000 feet of heavy timber and lumber for Waterhouse & Co. The shipments are for China.

Introducing Robert Fullerton

President Hines: Maybe the gentleman I will next introduce to you is all Scotch, but I have a suspicion that in part he is derived from the Emerald Isle, and so I can claim some kinship with him. He is Scotch in his wisdom and thrift, but I am sure he is Irish in his wit. There is not a man here today who has not been aggrieved and outraged a thousand times by the slanders and reckless ignorance of a certain portion of the press. There is not one of you who has not suffered in mind and purse by the public hostility engendered by the false statements of the press regarding our industry—statements that are false, even if they were based on ignorance worked upon by the malice of those who know better. Mr. Robert Fullerton, of Des Moines, Ia., vice-president of the Chicago Lumber & Coal Company, a student of men and affairs as well as of the lumber industry, will speak to you on "Popular Ignorance of the Lumber Industry." Mr. Fullerton.

Popular Ignorance of the Lumber Industry

BY ROBERT FULLERTON, OF DES MOINES, IA.

There is an ancient proverb which says, "A lie never lives to be old." This optimistic belief that untruth is short lived was promulgated before the days of morning and evening newspapers or the weekly and monthly perpetuators of perverted facts. Tennyson says that "A lie which is half a truth is ever the blackest of lies; A lie which is all a lie may be met and fought with outright; But a lie which is part a truth is a harder matter to fight." This poetic distinction in the quality of lies should encourage the members of the National Lumber Manufacturers' Association with the hopeful anticipation that sometime the popular and political lumber trust lie, which is all a lie, may be met and fought with outright, arrested, convicted and consigned to the keeping of the father of lies.

The repeated printing of lumber trust articles in newspapers and magazines has created a prejudice and a conviction in the public mind that the manufacturers of lumber have formed a trust, or combination, to advance the price of lumber and corner the country's forest resources. So persistent was the campaign of the Ananias agencies of publicity and reform, that Congress considered it good politics to instruct the Secretary of Commerce and Labor, to immediately investigate the causes of the alleged high price of lumber, the investigation to be conducted with the particular object of ascertaining whether or not these high prices have resulted in whole or in part from any contract, agreement or combination in the form of trust or conspiracy in restraint of commerce among the

several states, or with foreign countries. This hurry up call to Detective Smith to get busy and locate the lumber trust octopus was made four years ago. For forty-eight months Uncle Sam's agents have been wandering through the woods looking for lumber moonshiners conspiring to break through the Sherman anti-trust law.

INVESTIGATION OF A MYTH AT GREAT PUBLIC EXPENSE.

These lumber detectives enjoyed a good time at the public expense; were in no danger of assault; had no occasion to carry arms, resort to disguise or subterfuge. Every lumberman's books were open to inspection. No padlocks on any information desired; no concealment and nothing to conceal. Still, with all this facility to inquiry, it took Commissioner Smith four years and a month to formulate and twist a report that would justify the easy money expended in his investigations, and satisfy public expectation that, while no present lumber trust has been found, still there were symptoms and indications of a lumber combine in future conception.

Mr. Smith's first ominous discovery is what he terms the "concentration of a dominating control of our standing timber in a comparatively few enormous holdings, steadily tending towards a control of the lumber industry." Then he tells how this concentration was in part effected by unwisely liberal public land laws, which gave large grants of the unoccupied public domain to our western and Pacific railroads to induce them to build into and through the wilderness parts of our country far in advance of settlement or the necessary tonnage to justify capital and enterprise building railroads for immediate profit. Our public lands were offered to the public at $1.25 per acre and any citizen, with faith in the future, might buy at that price as much as he was able to pay for. Mr. Smith's post mortem criticism of our public land policy of forty years ago is the common regret of

the unfortunate speculator, lamenting that his foresight was not as good as his hindsight.

If Congress could have foreseen the future, conditions, notwithstanding, would remain about as they are, our land laws would have included a homestead act giving the farmer 160 acres of our unoccupied tillable land, if he would live on the claim and cultivate it, and our policy would have permitted lumbermen to purchase timberlands in tracts sufficiently large to justify them in building saw mills and manufacturing lumber to make houses for our people to live in. Congress would have granted our pioneer Pacific railroads sufficient public land to induce their promoters and builders to blaze the way for advancing civilization, and the Northern Pacific Railroad would have had the same long struggle with bankruptcy, with all its millions of acres of timberlands, and only in recent years was it able to find anyone with faith and cash courage sufficient to buy some of their long held land grant. The Northern Pacific sale to the Weyerhaeuser Timber Company was the first large block of railroad timberland sold to lumbermen.

Misleading Report of Commissioner of Corporations.

Mr. Smith looks on this sale by a railroad to a company of lumbermen as evidence of a community of interest, tending towards a concentration of timber holdings. He sees addition in division, and objects to the policy of these great timber owners, who, he says, "are cutting little of their timber and are reserving to themselves incalculable profits which are still to accrue with the growth of the country and the diminishing timber supply," and adds that "many of the very men who are protesting against conservation and the national forest system, because of the tying up of these natural resources, are themselves deliberately tying them up far more effectively for private gain," and brilliantly con-

cludes that "when mature timber is thus withheld from use, it is clear evidence that the great additional profits are expected to accrue through further increase in value." This is the first public intimation on record that lumbermen are opposed to conservation, or to the policy of government forest reserves. Lumbermen from every section of our country have been prominent in advocating conservation from economic, as well as altruistic sentiment, and surely no timber owner objects to the government reserving public timberlands for future use and development, as this policy restricts competition, increases the demand and enhances the value of privately owned stumpage.

If it is wise and desirable for the government to reserve and tie up timberlands for future needs, why should our Commissioner of Corporations criticise and condemn private owners of timber for doing the same thing? Is it a crime, a violation of the Sherman anti-trust law, for lumbermen to hold property in growing timber in the hope it may enhance in value sufficiently to pay interest and taxes, and a possible profit? Every word and line of Commissioner Smith's report shows a deliberate purpose to create suspicion in the public mind that a lumber trust is in process of formation, if not at present in working order. A more ingeniously prejudiced and misleading official report was never issued. As evidence of Commissioner Smith's ignorance of the requirements of the lumber industry, I quote the following sentence from his report: "1802 of the largest holders of timber now own 88,579,000 acres of land as compared with a vastly wider distribution of public lands in non-timbered agricultural sections." Practical lumbermen will smile at this official comment, but newspaper editors and magazine writers who read these landlord looking official figures will see concentration and combination and threatened monopoly of the country's forest

resources, and write black lettered head lines about the lumber trust and urge the department of justice to get busy and indict our 48,000 saw mill and timber owners for conspiracy and combination in restraint of trade among the several states and foreign countries. No sane mind could believe in the possibility of 48,000 independent saw mills and timber owners, operating in every state and territory from Florida to Alaska (including the active competition of Canada), forming a trust or combination in restraint of trade or for any other purpose under the sun.

ALLEGED DISCOVERIES NOT ALARMING.

Commissioner Smith's most dangerous discovery of concentration in timber holdings is not alarming when intelligently analyzed. He reports 1802 of the largest owners of standing timber have an average holding of 49,000 acres. Counting an average yield of 10,000 feet to the acre, a saw mill cutting 25,000,000 feet a year would cut each year 2,500 acres; so their 49,000 acres would only furnish the mill 20 years' supply of raw material. Many modern mills cut annually 50,000,000 and some 100,000,000 feet, in which event their saw mill plant would be out of raw material and out of commission in five or ten years. No prudent men would invest their money building expensive saw mills, costing hundreds of thousands of dollars, without first securing stumpage sufficient to supply the plant with raw material for a term of years long enough to justify the reasonable expectation of getting back sufficient profits to liquidate the cost of the mill plant before their timber was exhausted. A saw mill without convenient timber is about as valueless as a ship without water, an army without arms.

This peculiarity does not attach to any other manufacturing industry, except perhaps in a minor degree to

the manufacture of cement or brick. Their raw material of shale and clay is of trifling cost in proportion to the value of the finished product, while the raw material of the saw mill (the growing tree) represents 30 percent of the price obtained for the finished lumber. The packing house or the cotton mill can secure their raw material from day to day without investing in twenty years' supply of cattle or cotton, and are not required to pay taxes over and over again on the unused portion of their raw material. Popular ignorance of the lumber industry is responsible for many of the absurd statements and speeches made by uninformed newspaper and magazine writers and prevaricating prairie politicians. The lumber trust and the predatory lumber baron are things of the imagination. The lumber trust and the "interests" are terms used to engender prejudice in the public mind.

WANTON WASTE OF PUBLIC MONEY.

If Congress had passed resolutions instructing the Commissioner of Corporations to immediately inquire into and report the location and magnitude of Captain Kidd's fabled hidden treasure or inquire into and enlighten the country in relation to the lingering belief in perpetual motion—appropriations for such purpose might be justified in the interest of science and discovery, but to spend millions of the people's money hunting a lumber trust, when every member of this association, a thousand manufacturers of unimpeachable character, could and would have furnished Congress with sworn affidavits that no lumber trust or combination existed, was a wanton waste of public money at the behest of political demagogery and their newspaper phonographs. Lumbermen meet in national conventions and openly discuss questions and problems in relation to their business, which are fully printed in our enterprising lumber trade

journals, but very little of what we say or do is published in the daily press. As far as enlightening the public is concerned, our proceedings might as well be conducted in Choctaw or some unknown tongue.

PUBLIC IGNORANT OF FACTS.

The facts in relation to the lumber industry are unknown to the public. The daily press and the magazines, owing to the absence of any advertising revenue from lumber manufacturers, except the occasional announcement of a timber bond issue, have no business or friendly interest in lumbermen or their operations and ignorantly or maliciously publish anything and everything prejudicial to the industry. During the discussion of the Payne-Aldrich tariff bill, a well-known magazine, whose consulting editor is ex-President Roosevelt, published an article on the "Need of Tariff Reform" by stating that the duty on lumber (at that time $2 per thousand) was more than the entire wage cost of producing it, a departure from truth of about 300 percent. Another magazine writer tells his credulous readers that Michigan yellow pine has doubled and trebled in price in recent years, that it has advanced from 2 and 3 cents a foot to 30 and 40 cents a foot, and adds that tables and chairs made from Grand Rapids yellow pine will soon be so expensive that only the very rich can afford to sit down or have a table to eat from. This muck-raker was a thousand miles wrong on the geography of yellow pine and 1,000 percent wrong on its price. At regular intervals some newspaper publishes an editorial about the lumber trust that controls and dominates everything, including the politics of the country.

EXPERIENCES WITH IGNORANT CONGRESSMEN.

A very distinguished United States Senator, with a long and brilliant experience as a legislator, told me in a

private conversation that he believed that the lumber manufacturers had an understanding among themselves that no retail yard could buy lumber unless they first agreed to sell to the consumer at a fixed and determined price, and if the retailer sold for less than this trust list, the manufacturers would refuse to fill his orders and he would soon be out of business. Another well known Congressman, a member of the Ways and Means Committee, during a hearing on the lumber industry, innocently inquired what was meant by the term stumpage. These are fair samples of legislative ignorance and credulity in relation to a leading industry.

I had an amusing experience with an insurgent Congressman in Washington while trying to show him how the free admission of Canadian lumber operated against the conservation of our own forest resources, which he was strongly in favor of. I explained that Canada was shipping annually to this country about 1,000,000,000 feet of low grade lumber, mostly from the Georgian bay district, transported by boats to our Great Lakes cities, at a very low freight rate, averaging less than $2 per thousand feet; that the American saw mills operating in our southern states could make an abundance of such lumber to supply every demand, but the yellow pine freight rates to our lake cities averaged $6 to $10 per thousand, making it impossible for the American saw mills to compete with this water-freighted Canadian lumber, except at a loss, under prevailing prices; the result was that second and third class logs that would produce serviceable lumber for many purposes were left in our woods to rot or burn up—a waste that could be prevented by advancing the duty on Canadian lumber sufficiently to offset the difference between American and Canadian freight rates, and enable our own saw mills to utilize the low grade logs that were now being wasted. After my patient endeavors in the interest of conservation, my

prairie Congressman gravely inquired why lumbermen cut down trees that made low grade logs. I told him that we did not cut such trees intentionally, that all trees had a proportion of poor logs, that branches were a provision of nature necessary to the growth of a tree, that branches resulted in knots, and many knots made a poor log, and a poor log made poor boards, and the present price of such lumber was so low that saw mills couldn't sell it for the labor cost of manufacturing it; and to make the condition plain to his understanding, I said, "Suppose some political economist had told your farmer constituents at the time when cattle were selling at discouragingly low prices, that they should change their methods and raise steers all porterhouse and no bones." My explanation, which I tried to illustrate by making a crude picture of what a pine tree looked like, including its branches, made no convincing impression on my legislative representative, and concluded I was wasting my time in Washington as a conservationist, talking industrial affairs to politicians and lawyers.

Representative Ferris, a democratic orator from Oklahoma, in a recent speech in Congress advocating Canadian reciprocity, told of the great benefit the farmers of this country would secure by free Canadian lumber, and said: "Notwithstanding the sky-high tariff on lumber ($1.25 per thousand feet) we imported last year $19,000,000 worth of boards and planks," and continued: "I ask you high protectionists who are opposing this treaty, will that do the American home-builder of the broad prairies good or harm? Will that help the courageous pioneer to subdue the West? Will it be beneficial to every citizen in all the land, save the lumber trust? I ask you if the lumber trust is expected to lend its hearty support to any treaty which metes out to it tardy justice that has long been delayed? We have seen the home builders and the pioneers of the West too long struggling

beneath their too heavy load in their efforts to erect a little shelter over their heads. We have sat here complacently and seen lumber in 1908 sell at an average price of $11.08 per thousand feet, and in 1909 we have seen the same lumber sell for an average price of $15.37, and have seen it go up in price each day since that time. We have seen the forests of the country being reduced to underbrush and cut-over lands. We have seen timberlands all held by a few lumber barons, while the American people have gone homeless and roofless. We have seen the forests of the country denuded and made bare with no corresponding good effect to the people who build the homes and carry on civilization. This one provision of the treaty will help every home-builder in the land. This one provision will beget the respect of all the people who are not financially interested in the lumber trust, and they should not be heard to longer defeat competition on a subject so vital to all our people. (Loud applause.)"

This speech is well calculated to provoke righteous indignation and tears of sympathy for Oklahoma's homeless and roofless victims of the heartless lumber trust. It would be hard to find in a public speech of this length a greater display of ignorance and untruth, which would be more aptly characterized in modern slang as rot.

UNJUST DISCRIMINATION.

Another Congressman, Edward L. Hamilton, a republican, in a speech in opposition to Canadian reciprocity, began by saying: "Reciprocity with Canada will have little or no effect on manufactured products, but will be confined in its effect to farm and forest products. So far as lumber is concerned, I voted for free lumber when the Payne bill was under consideration. I believe in free lumber." Then he dilates on the injury to the American farmer by subjecting him to the competition of the Cana-

dian wheat grower on the cheap, virgin lands of Manitoba, Alberta and Saskatchewan, tells of the magnitude, the millions and millions of acres of fertile soil in these great Canadian provinces capable of producing wheat enough to feed the world; and grows eloquent in denouncing legislation or any trade agreement that puts the hard-working American farmer in unprotected, unequal and un-American competition with the cheap and limitless wheat fields on our northern border; and to win the sympathy of sectional Congressmen from southern states, where little wheat is grown, he quotes the words of Democracy's patron saint, Thomas Jefferson, "equal rights for all, special privileges for none," and asks, "Is it equal rights for all, special privileges for none, to protect every other industrial interest in this country and leave the farmer exposed to competition? Is it equal rights to all, special privileges to none, to protect the distiller at the rate of $2.60 a gallon on whisky made out of rye which he is permitted to buy from the farmer free, in the interest of cheaper food?" Congressman Hamilton is strong in his sympathy for his farmer constituents and thinks it very unfair to expose them unprotected to the competition of Canada. He wants protection for the farmer and every other industrial interest, and yet he voted to put Canadian lumber on the free list. His Jeffersonian paraphrased idea of legislative equality doesn't extend to the lumber industry. Canada's forest area contains millions of acres of cheap, virgin timber that under free trade will compete with American saw mills just as discouragingly as Canada's wheat fields will compete with the American farmer, but no Congressman objects to removing the small protection on lumber; no insurgent or standpatter, republican or democrat, speaks a friendly word for the lumber industry. There is general rejoicing in the South when cotton brings a good price, and every farmer and merchant in

the West is happiest when corn and cattle are highest, but any advance in the price of lumber is a calamity deplored by everyone, condemned by everyone as the combined operations of an iniquitous trust.

IMPORTANT INCORPORATED INDUSTRIES BLACKLISTED.

Statesmen are frequently ignorant of business problems. Champion Roosevelt, before his political "Reno," emphasized this when, coming back strong from the wilds of Africa, he halted in his homeward march at the ancient city of Cairo and delivered the "I-know-how-it-is-myself" speech to the students of the University of Egypt, in which he said, "No people have permanently amounted to anything whose only public leaders were clerks, politicians and lawyers." It would be interesting to know what country he was thinking about when he pronounced this ultimatum. Was it Commissioners of Commerce and Labor, or politicians and lawyers making laws regulating and governing the industrial affairs of the workers and builders of a nation without whose industry and labor no country could long exist? Orators, in trying to photograph needed reforms on the minds of their hearers, sometimes produce a double exposure that includes themselves in the picture. If Mr. Roosevelt's words have any meaning it is that the business man, the workers and producers of a nation, should have a voice and an influence in legislation affecting their industrial life and welfare. "Clerks, politicians and lawyers," listening to their master's voice (the newspapers), monopolize and control both branches of the American Congress and are practically our nation's only public leaders. Industrial organizations, asking a hearing on laws affecting their prosperity, are characterized as the "Special Interests" trying unduly to influence legislation for their particular benefit. Every enlightened government except our own rejoices in the strength and magnitude of their industrial

institutions. The welfare and prosperity of manufacturers and producers is the first consideration of their domestic legislation. Manufacturers and leaders in industrial affairs are consulted and careful heed given to their practical knowledge and useful information. But in the United States every important incorporated industry is blacklisted by Congress and the press under the newly coined, sinister term "Interests" to be combated as a public enemy, quarantined and politically ostracized as something malignant and unpatriotic.

When our lawmakers are considering economic or commercial legislation every corporate industry capable of giving correct information is barred or their statements discredited; "consult the consumer" and ignore the producer is the ethics of the political demagogue, when the tariff on lumber is under consideration; consult the Omaha partisan platform or the editorials in some praire farm journal for exact information to make laws that affect the lumber industry; or, when the duties on cotton and woolen goods are being considered, ignore the advice and information of the only men whose knowledge and experience have any value, and be governed by the retained opinions of newspaper publishers speaking for their department store clients. We elect Congressmen as we select juries—personal knowledge or information about the things to be legislated on is a disqualification.

Amateurs conduct the country's commercial battles.

The term "interests" is now applied to every manufacturing industry in the country. To be related or connected in the remotest degree with any useful enterprise or occupation is a handicap to the vote seeking politician. "Clerks, polticians and lawyers" are the country's political elect. No captain of industry, however eminent, need apply for a commission in the ranks of our legisla-

tive army. Industrial amateurs are selected or appointed to every post of honor to conduct the country's commercial battles at home or abroad. A government of the people, by the people, should include all classes—the producer as well as the consumer. The prudent citizen who invests his savings in the stock of a corporation is entitled to as much consideration as the lawyer who invests his time and uses the public school funds in securing a professional education.

The politically maligned, special taxed, corporate interests of the country are purely democratic institutions, enabling men of small means to unite their capital in a coöperative organization to engage in enterprises that otherwise would be monopolized by the very rich—or left undone. In the absence of corporations, industry, progress and civilization would revert back to individualism and the cave dweller. The industrial corporation has done more for modern progress and the welfare of mankind than any other human instrumentality. It is the only near approach to mutual help and the brotherhood of man. (Applause.)

President Hines: Gentlemen, I think we are greatly indebted to Mr. Fullerton for his very interesting address.

Introducing Dr. C. A. Schenck

President Hines: If there is any man that knows forestry from the time of the tower of Babel until the present and from now on until the last tree shall disappear from the slopes of the Sierras or vanish from the recesses of Siberia, we have that man here today. He will talk to you on "Practical Forestry." While he is a forester, versed in all the technicalities of the profession, while he has occupied high position in the forestry service of Germany, he is no mere theorist intent on applying arbitrary methods to a problem so varied as that we are facing in the United States. He is now trying to teach American boys how to be of service to their country as foresters or in connection

with forestry work. He has tried to talk them to death and walk them to death, but the American boy is a pretty tough young animal, and what Doctor Schenck has succeeded in doing is to turn out a lot of young men who are making, and who in the future will still more make, their mark in the lumber business. Doctor Charles A. Schenck, of Biltmore, N. C., will now address you.

Practical Forestry

BY CHARLES A. SCHENCK, OF BILTMORE, N. C.

Gentlemen, somebody has played a mean trick on you, getting a schoolmaster, a theorist, to make a talk on "Practical Forestry." Now, gentlemen, what is practical forestry?

If I only knew what "practical forestry" is—knew it after having had charge for years of 120,000 acres of American woodlands: knew it after having taught forestry at the Baltimore Forest School for almost fourteen years! Practical forestry, it seems to me must be akin to practical mining, to practical orcharding and to practical farming; in short akin to the other American industries utilizing the soil and the soil's products.

Take practical mining: Is mining practical, always practical? Is it practical where the ore is of so poor a grade, or where the distance from the market is so great as to render unremunerative the venture and the investments made in the mine? No; mining is not always practical; it is practical only at that time and at that spot and with that intensity of investment which are productive of a fair annual surplus of receipts over expenses. Mining for the fun of it and mining at a loss are as impractical as they are Unamerican. We do not want them.

Nextly, take farming. I know a gentleman in western North Carolina who for fifteen years has had the finest farms, the finest crops and the finest stock; and I also know that the gentleman in question has lost money, regularly and certainly, in his agricultural pursuits. Evidently fine crops are not necessarily a criterion of practical farming. My wealthy friend's farming is not practical; it is less prac-

tical, most certainly, than the operation of his neighbor, a mountaineer in the Appalachian hills, satisfied with raising a living out of fifteen bushels of corn to the acre and refusing to restore to the soil, by crop rotation or by manuring, the elements of fertility withdrawn in fifteen bushels of corn. The mountaineer's farming is destructive of the farm; so in a measure is the practice of the farmer in the prairies and of the farmer elsewhere. Whosoever withdraws from the soil more than he restores to the soil is destroying the soil, and is engaged in destructive farming. What American farmer is not?

FARMING THAT PAYS.

Farming is practical where and as long as it pays a living to labor and a dividend to capital. Practical farming may be constructive or destructive of the farm; or it may be conservative, reconstructing the soil at the same rate at which it consumes it, thus holding the balance between construction and destruction. Most practical is that farming which pays, all told, the best wages to labor and the best dividends to capital. The criterion of practicability in mining and in farming is remunerativeness.

Forestry, the third sister in the family of industries utilizing the soil and its products, cannot occupy, in our present economic system, a position differing from that held by farming and mining. If farming comprises any activity having the farm for an object, we might define forestry as any activity having the woods for an object. Forestry may be destructive, using up its assets of timber and of soil, or it may be constructive, increasing its assets, by new investments in timber, in soil, in saw mills, in transportation facilities; or, finally and rarely, it may be conservative by balancing exactly the destruction against the construction of its assets.

I do not know—although having visited hundreds of ranges—one single range in Germany or in America on which, really and exactly, conservative forestry is being

practiced. In Germany, constructive forestry is now the rule and has been the rule since the eighteenth century. Nevertheless, a number of German foresters are engaged in destructive forestry—so in Würtemberg, in Saxony, in Bavaria. Why this deviation from the rule? Because forestry is most practical when it pays, all told, the best wages to labor and the best dividends to capital.

Sometimes in Germany, and frequently in the United States, destructive forestry is more practical than constructive forestry. Whether construction is more practical than destruction, or whether conservation is best, is a question, in all American industries, not of sentiment but of dollars and cents, of wages and dividends.

We are facing conditions, not theories. With forestry or farming or mining practiced and preached as fads, the common sense of the American people will not long connive.

IMPRACTICABLE CONSERVATION.

My address on "practical forestry" might be here concluded were it not for the question which I see on your lips: "Under what conditions, in your opinion, is that rare type of forestry practical which, by destroying its timber assets at the rate of their reconstruction, conserves the timber supply and conserves the many blessings believed to emanate from the very existence of the woods?"

It is obivous that this rare type of forestry requires, for its *raisons d'etre*, a peculiar constellation of economic conditions; some of these conditions are artificial and can be created or abolished at the wish of the people expressed by their legislatures; others are natural, depending on climate, on natural facilities of transportation, on density of population and so on.

So as to facilitate the discussion, let us assume that we have to deal with compact stands of timber, some dense and some poor, averaging, on the whole, 5,000 feet to the acre, just enough to build from an acre's product a small

house for a modest family. Conserving the 5,000 feet on the aggregate acreage, we may cut that much timber annually which nature produces, by way of a surplus. That surplus is about 100 feet on the average acre.

I have measured the growth of trees in many parts of the world and I know that a rate of tree growth exceeding 2 percent is met rarely. Now then, 100 feet is 2 percent of 5,000 feet, and the said rate of 2 percent represents the gross interest on the timber investment; it is not net interest. We must deduct from the gross amount, so as to convert it into the net amount, the following items: taxes on the entire investment; interest on the value of the soil; depreciation and interest on mills and logging outfit; expense of fire protection.

When we make these deductions, our gross interest of 2 percent is wiped out of existence. The taxes alone are, quite frequently, 1 percent on the market value of the timber; on fairly valuable soil, conservative forestry is always impractical, since the trees—growing at 2 percent only—cannot produce a sufficient additional dividend on the soil; also, the depreciation on mills and logging outfit, and the interest thereon, are 20 percent or more; and the expense of forest-protection is heavy when we deal with second growth. You nor I nor any man can engage in the practice of conservative forestry under such conditions. It is, of course, in the power of the public to ameliorate these conditions: The taxes can be reduced or annulled as a premium to him who, on soil unfit for argriculture, engages in conservative forestry. Public roads and public railroads might take the place of those maintained at private expense. The forest fires threatening private lands might be prevented at the expense of the people. Do you believe that this amelioration will come in time to save the American forests? You may believe it—believe it if you can—you happy mind confiding in the wisdom, in the farsightedness, in the speedy education of the voting masses!

I wish that I, too, might share your confidence. I for one—forester and teacher—I for one refuse to stake my savings on such optimistic views and on investments in such conservative forestry. I know too well that the masses are unwilling to pay the bill of conservative forestry; are unwilling to side with the owner of timber land; are eager to decry the "wealthy lumber baron"; are anxious to find a "lumber trust."

Read the platforms of both political parties issued at the last presidential campaign! Can the demand for free lumber or the demand for a reduced lumber tariff be interpreted optimistically by the man who has his labor, his mind and his savings engaged in timber holdings? Nevertheless, for the sake of argument, I want to be optimistic, just for once, and I will assume that the people will wipe out the expense in the woods connected with taxes, with fire protection, etc. That done, I am left with 2 percent net, instead of 2 percent gross, earnings on my investment, the net yield resulting from an annual growth of 100 feet produced on a stumpage of 5,000 feet. What a wonderful yield! What splendid returns! What reward for my sagacity or for my patriotism engaged in the conservation of the forests!

DESTRUCTIVE FORESTRY.

Gentlemen, I am through with my argument, and through with conservative forestry. Destructive forestry alone is practical. Conservative forestry is impracticable so long as nature does not produce more than 100 feet per annum on a stumpage of 5,000 feet, unless—. There *is one* "unless"; and you, of course, having had your brains and your work and your money engaged in timber for decades of years, must have known, all the time, what panacea I was driving at: A surplus dividend of 2 percent is not to be despised when and as long as the value of the principal is on a steady increase. More than that, I am willing, possibly to sacrifice any and all surplus when and as long as

the value of my timber—of those 5,000 feet per acre—increases at the rate of 6 percent per annum or at a better rate, doubling the principal in less than twelve years. The farmer's farm in the prairie and the townsman's lot in the city increase similarly. Such "unearned profits" are not only excusable, they are necessary; without them improved farms and improved buildings would be impossible; without them savings and savings banks cannot be defended. In the forests unearned profits alone can work the salvation of the forests.

Let me conclude. Remunerativeness is the criterion of practical forestry as well as of practical farming. In conservative forestry, a sufficient rate of remunerativeness cannot be obtained from growth alone; it must be derived from "unearned profits," that is, from a steady increase of the value of the standing timber.

Nowhere on earth does the cash dividend obtained from conserved forests exceed 2½ percent.

Nowhere on earth are the forest conserved when there takes place a stagnation or a decline of the value of the stumpage.

Whosoever is in favor of American, practical, conservative forestry must be in favor, also, of any and all legislative acts safeguarding a steady and a certain advance of stumpage values now and forever. (Applause.)

Suggestion by the United States Forester

PESIDENT HINES: Gentlemen, we expected to have with us Hon. Henry Solon Graves, forester of the United States, to speak to us on the subject of "Forestry Legislation." Mr. Bronson has a communication from Mr. Graves, which I would be very glad to have him read.

MANAGER BRONSON: Mr. President, Forester Graves' first response to my request that he appear before us was to the effect that he would be very glad to prepare a short address on the subject of forestry legislation, but that about the time we met he would be working with the committee on the Department of Agriculture, and he was afraid he could not be here at this time. Then later he said:

"I find now definitely that I cannot attend the meeting of your association in Chicago at the end of the month. This is a great disappointment to me, as there are many problems which I should like to discuss with you and other delegates at the meeting. I assure you that it is only very important business which prevents my attendance."

I saw Mr. Graves last week, and I know that he has been sick and was unable to attend to work for a week, and he is about the busiest man that I know of in Washington, for on his shoulders alone is the work of the entire forest service of the United States, which covers, as you know, such an immense business proposition. But he said to me that he would prepare his paper just as soon as he could and submit it to us for printing with the records, if I wished it; and I told him that I did wish to have it with the records of this meeting. Later he came down to the hotel to discuss a certain matter with me, and at my request he put it in letter form. He wishes to emphasize the statement he made in an argument at our last annual meeting, and this is the letter, which I will read:

"Pursuant to our conversations of May 16 and 19, I wish

to bring to your attention again the urgency of the problem of forestry on private lands. I thoroughly appreciate the advances which have already been made by the lumbermen in the way of forest protection in certain localities. We cannot give too high praise for the organized work of protection through the various fire protective associations in the Northwest, the Lake States, New Hampshire, and Maine. Taking the country as a whole, however, I feel that a great deal more could be done than has been done in the way of fire protection, especially in those localities where coöperative fire associations have not yet been formed. Moreover, the question of forestry from the standpoint of timber production has been scarcely touched by the lumbermen as a practical problem except in a comparatively few instances. It is going to be necessary to protect not only the mature timber from fire, but it is essential to protect also the growing trees not yet merchantable and the small growth, which will form a basis for crops of timber in later cuttings. Those areas which are not suited for agricultural purposes, but are suited only for the growing of trees, should be producing timber continuously, whether they are in public forests or in private forests. I do not believe that it is necessary for me to emphasize the desirability of the lumbermen themselves taking the initiative in working out this problem, for I know that you fully realize it.

PRACTICAL BEGINNING OF FORESTRY URGED.

"At your meeting in New Orleans about a year ago I emphasized this question and urged that the lumbermen make an actual beginning in the practice of forestry. I feel now even more strongely than I did then the wisdom and the need for such a practical beginning. I do not think that it is necessary to wait for all of the state legislation in taxation and fire protection which is desirable and perhaps necessary before a complete solution of the problem can be found. I do not feel that the lumbermen should wait

until high prices of lumber arrive before making a beginning in forestry. I am very strongly of the opinion that a beginning should be made now.

"What I propose is not an immediate organization of forestry on entire tracts put under forest management. A great deal of preliminary work necessarily must be done. On many large tracts the land would have to be classified, and it probably would be desirable to introduce systematic forestry on only a part of the land at first. This would apply both to fire protection and to any modifications of cuttings which might be advisable. Methods would necessarily differ on different tracts and the extension of forestry over the entire area of any given tract would probably follow some practical experiments on a substantial scale. In other words, it would be a matter of a year or two, or perhaps more, before an owner would feel certain of just how to go ahead.

OUTLINE OF PRACTICAL PROPOSITION.

"My proposition would not involve calling upon the Forest Service for the direct working out of the plans in the field, but rather to have the lumbermen employ their own foresters and to work out forestry as a business proposition from their own standpoint. Of course, the Forest Service stands ready to help in every way possible, but if this is going to be a practical business success, the lumbermen themselves should handle it directly. I would suggest, in line with my recommendation of last year, that a practical forester of national reputation be employed cooperatively by the men who are prepared to go into the project. He would develop the details of the whole plan and supervise its execution. The beginning would place only a comparatively small burden upon each owner if it is taken up in this coöperative manner, for the salary and expenses of the expert and his assistants would be divided among a number of owners. The actual cost of initiating forestry

on a very substantial scale on any given tract would be small compared with the practical results which would be obtained. The owners would then know themselves just what forestry will cost them under their own peculiar business conditions, and I have not the slightest doubt but that the results of such experiments would be extremely valuable from the standpoint of the regular operations entirely aside from their peculiar forestry aspects. I am very sanguine about the practical results of such a project and I hope that it will be given serious consideration at your annual meeting."

Mr. Bronson (continuing): Mr. Graves stated to me, thinking that perhaps I would present it to you, that there is a certain legitimate political aspect of this matter. He feels that if the lumbermen do take some practical, reasonable steps toward finding out about forestry and do practice it, even in a small way, but in a reasonable way, that then the conditions arising in public discussion will be more favorable to the lumber industry. Mr. Graves seems to feel that the failure of lumbermen to try it out is an adverse argument against them in the national discussion of this forestry problem and in legislation. I feel that Mr. Graves is a genuine friend of the lumber industry in every way, and I believe that he is trying to help us as best he can in his environment and under the conditions under which he works. So I submit this to you. He is very sorry he could not be here, and he personally asked me to express to you his regrets, for it is nothing but urgent public business that has kept him away from us today.

President Hines: Gentlemen, before taking a recess, I want to impress upon you the importance of trying to return sharp at 2 o'clock. Commencing at that hour we have an important subject to discuss.

(On motion a recess was taken until 2 o'clock p. m., Thursday.)

FOURTH SESSION

Thursday Afternoon, May 25, 1911.

The convention was called to order by the President at 2 o'clock p. m.

Advertising—Lumber Versus Its Substitutes

PRESIDENT HINES: The entire lumber industry has felt the effect upon values, of the introduction of substitutes. Undoubtedly in the distant future, when our lumber supply shall be inadequate for the growing needs of the country, and as consequently timber and lumber becomes higher in price, there will be both the need and the excuse for the introduction of substitutes. Even now we do not object to building of a more permanent character than that of the past, and we do not antagonize the introduction of steel passenger cars for example, which however noisy, and all together uncomfortable they may seem, yet seem to be in the direction of safety for the traveler, nor do we oppose the introduction of such permanent works as concrete bridges and culverts, but much of the substitution of today is neither needed nor desirable.

We find in the erection of buildings, materials used on the grounds of their fire resisting properties, that are not actually such. A concrete building will crumble under heat and water, whereas a mill constructed building will be far safer. We see fibre and paper substituted for wood in boxes, resulting in loss of revenue to the railroads in the way of freight, loss of business to the lumbermen and in damage to the commodities contained. We see roofs being covered with materials which are nowhere near so long lived as shingles and which are hardly more resistant to fire.

All of these alleged substitutes are things which have a mere pretence of utility but are widely advertised.

We lumbermen have been largely advertising to each other, and in competition with each other, one wood against another, one manufacturing section against another, and have allowed this tremendous advertising campaign of substitutes to be pushed until it has endangered our business. It seems proper that this situation should be considered and so there has been placed upon the program the subject "Advertising—Lumber Versus Its Substitutes."

The gentleman who will lead this discussion has given much thought to it, has been a party to some important experiments in general advertising, and I take pleasure in introducing him, Mr. W. A. Gilchrist of Memphis, Tennessee.

Advertising of Substitutes for Wood

BY W. A. GILCHRIST, OF MEMPHIS, TENN.

Mr. President, Gentlemen of the Convention: The subject assigned here I think is probably a little bit broader than I will make an effort to handle it on, but I will narrow it to a proposition of "Advertising to the Benefit of the Lumber Business." Our reasons will be developed later, why we need this assistance, and I think likewise whether we think we can get the results from advertising. Referring to the opening address of our honored president yesterday, he made mention of the fact that the prediction had been fulfilled relative to the lumber markets, the improved condition of them. I agree with our president, insofar as his statement goes, for one year, but I refer you, gentlemen, to the production for the years 1906 and 1907, which I assume is the maximum production of this country. I just ask each man here today to think what the result would be, under the present depressed market conditions, if the production were of the magnitude of 1906 and 1907. I do not think there are words in the English language to describe the chaotic condition that would exist, and I feel that all of you, in your own minds, think that there must be something done to assist us out of this condition. In other words, improve our market conditions for our lumber.

Of all great American industries, the one associated with forest products seems to be confronted with more problems of a harassing character than others.

It is true that all are subjected to political and economic conditions of a varying degree, yet from the viewpoint of an individual engaged in the forest products industry, I be-

lieve that there are more serious economic phases confronting ours than any other.

To illustrate: The steel industry is constantly expanding and new fields are continually being exploited to stimulate the consumption of its commodities. Old fields are reworked on a scientific basis to ascertain if there are opportunities to tender their wares for consumption in competition with other materials, frequently meeting with failure, but, in the main, with success.

The forest products industry is differently conducted. We are confronted with a continuously restricted market, driven from our old fields of consumption, and very little scientific investigation being conducted to combat the new problems at hand.

The most serious problem is the loss of our business by substitution of other materials, not that they are more suitable, but that the people—the consumers—believe they are. The constant reference to the exhaustion of this country's forests at an early date (unjustly) has caused many consumers to be at least in a receptive mood for the presentation of a substitute material, when there is no occasion for it.

The growing impressions that the wooden material is unserviceable; that it disintegrates too early to warrant its use; that it is more inflammable than other material, seem to be the chief points of attack upon our commodity.

All of these can be successfully denied—and strange, when I look about me, I see members here that I know need convincing themselves before we introduce our project to the public—those who believe that the day for the absolutely permanent building is present—the one of steel, stone and cement. I am certain that they can be convinced otherwise.

EXISTING PROBLEMS PROBABLY TWO THOUSAND YEARS OLD.

America is a young country and growing. Evolution is apparent on all sides. Likewise at one time all other coun-

tries on the globe were young and growing, and I believe the problems confronting us are but little different from those confronting the Roman lumbermen, two thousand years ago.

We invariably think of Rome as a city that was always built of cement and stone; not so, for I quote you from Roman History: An individual named Crassus, the banker, the speculator, the J. P. of his time, a friend of Caeser, who was less cautious than his contemporaries, in the year 69 B. C., employed many ingenious methods of increasing his revenues:

> "Another new source of income which he tapped proved exceedingly lucrative. Since the houses at Rome were mostly built of wood and the Aediles had so far neglected to organize efficient measures of prevention, fires were at this time exceedingly frequent. This suggested to him a very ingenious idea. He organized a regular fire brigade from amongst his slaves, and established watch stations in every part of Rome. As soon as a fire broke out, the watch ran to give notice to the brigade. The firemen turned out, but accompanied by a representative of Crassus, who bought up, practically for nothing, the house which was on fire, and sometimes all the neighboring houses which happened to be threatened as well. The bargain once concluded, he had the fire put out and the house rebuilt. In this way he secured possession of a large number of houses at a trifling cost, and became one of the largest landlords at Rome both in houses and land * * * "

So it is proper to assume that Roman lumbermen existed.

When the Empire became great and Rome the capital of the amalgamated states, demand was made for impressive structures, to be built with funds collected by the armies invading the neighboring counties. Greece, a country then

civilized, the seat of learning, was to Rome identically as the European continent is to us today.

The fashions and learning as well as architecture came from Greece. Then the trouble began for the Roman lumbermen. The building style changed to the character of building we all know—a massive structure of stone—the permanent structure. How permanent? I but refer you to the present ruins.

TENDENCY IS TO BUILD TOO PERMANENTLY.

So, with us, the sentiment, in general, is to build too permanently—to build too well. A remarkable statement you may say; now let's see.

I refer you to the lower end of Michigan avenue of this city, twenty odd years ago. This was the exclusive resident section of the town; dwellings of the most magnificent and permanent character existed. View it today; such structures representative of the former conditions as remain show but slightly the ravages of time. Demand for business building sites has forced the removal of many of these buildings, and I believe it is proper to state that not one of these buildings was worn out, but merely obsolete. Every city presents parallel conditions. The character of building was too permanent. A manufacturing plant, say, a machine shop, built on the most approved plan twenty-five years ago is now antiquated and obsolete.

In this character of manufacturing today overhead traveling cranes (electric) are a necessity. Their installation requires a special type of building, but few, if any, structures erected twenty-five years ago can be remodeled to permit the installation of these devices. The result invariably is the abandonment of the older structure, which may not necessarily be worn out, and the removal to a modern building.

It is to be presumed that the evolution of the methods and machinery in these manufacturing plants is not to cease,

so it is equally fair to presume that a structure of the most modern type will be obsolete twenty-five years hence. Why build more permanently than is economical? Permanency is not always economy.

The city of Liverpool planned on the Mersey river being the greatest shipping point on the British Isles. So the city was bonded for the construction of the most elaborate set of quays of granite and other massive materials. Dock basins were constructed sufficient in size to accommodate the largest ships afloat, and some to spare.

No science has progressed more rapidly than marine architecture, and the naval architect has successfully constructed the thousand foot ship. Ship owners refuse to send their vessels to any port where the wharfage accommodations are insufficient. Liverpool, to maintain its prestige as a port, was required to construct miles of new quay systems, it being impracticable to reconstruct the old and now obsolete ones on account of their permanency.

Citations without end may be made, all familiar to you, upon this subject. Who of you doubt but what structures suitable for the purposes cannot be built of wood, complying, of course, with the building codes, to satisfy all demands made upon them, and cheaper than any other material.

CHARACTER OF ADVERTISING USED.

The producers of competing materials invariably make insidious comparisons as to the cost of wood as a building material. I hold in my hand a recent copy of the Saturday Evening Post, and I find the following advertisement:

> "Learn about brick. Everyone admires a brick house. Few realize its low cost and economy. Brick is the most beautiful, most reliable, really the cheapest building material in the world. The cost of wood has risen until a wood house costs more to build and maintain than a brick house. Learn the facts. Send today for our free books.
>
> The Building Brick Association of America,
> Flatiron Building, New York."

Here is a slateroofing advertisement:

"The resisting qualities of our slate-surfaced material are such that it is especially recommended for, and is being largely used, as a roofing on pulp mills, chemical works, acid and fertilizer plants and other buildings used for like purposes, where the roofs are affected by acid, gases or fumes. Used in any climate, can be applied in cold weather, and is equally well adapted to uneven, flat or steep surfaces; can be laid over old shingles or tin. Lasts longer than shingles—costs less. Sold on its merits and lasting qualities. The first cost, the only cost. Guaranteed for ten years without coating."

Here is another article of May 13, 1911, under the heading "Building materials, and which to choose. How the various types of construction measure up to requirements in respect to first cost, cost of maintenance, durability, harmony with site and with architectural style." In discussing the various materials, under the head of "brick," they have this to say:

"Wood has long been the cheapest building material in America in respect to first cost, and so it has been the popular opinion that brick was too expensive except for the wealthy. But all the time the supply of lumber has been diminishing, and today the price has advanced until it is not very much cheaper than brick. In fact, the difference is so little that with the many advantages of the more endurable material it seems almost folly not to use it. An ordinary small brick house costs about 15 percent more than one of frame construction, yet at least $12 a year is saved which would be required to paint an 8-room frame house, and that is the average interst on $200.

"It cannot be denied that brick is the most permanent building material in the world. It has been proved so in all civilized countries through centuries of time. No surface treatment such as painting is ever necessary. The effects of weather upon it are almost inappreciable, as are also those of fire. Brick has been through fire before it is used, and so will resist fire. In fact, the proportion of burnt clay in a building determines to what extent it is absolutely fireproof. This is shown by insurance rates. Here in the vicinity of New York the rate for brick buildings is one-half that for wooden structures."

I tell you, gentlemen, of course we recognize the bias of these articles; yet we lumbermen are not taking advantage of the facts, as that article indicates that the

people are accustomed to using wood, and that is a prejudice in our favor. We are using nothing for wood. The fire resisting properties of wooden structures are subjects of criticism. I will merely refer you to an advertisement of a metal window screen manufacturer, wherein he says:

"In the early stages of our development of this product, we were frequently met with the objection that steel windows were more expensive than wooden windows. This is a mistake. Steel windows command a small premium in price over wooden windows, but they do not require constant outlay for renewals and repairs. They are dividend-payers, cost-reducers and fire-retarders. They lessen maintenance charges, and, when considered from a practical standpoint, are never discarded in favor of wooden sash."

Here is another one:

"Don't let the dust from your concrete floors ruin your machinery. The grinding action of shoe heels and trucks causes a constant rising of cement dust from cement and concrete surfaces. When this dust finds its way into the bearings of your machinery its effect is ruinous. There is a sure, economic way to prevent it. A concrete floor can be kept as free from dust as one of tile, by applying two coats of somebody's concrete floor dressing."

Why not we advise them to use wood floors and overcome this character of substitution?

Still I refer you to numerous insurance reports on fire damage in plants of mill construction versus steel and reinforced concrete. The comparisons are invariably in favor of the wooden structures. Though at present the insurance rates are slightly discriminating against the wooden structure, considering the offset in original cost of the building, more than a favorable showing is presented in favor of the wooden structure.

This is the character of exploitations of substitutes that has made such inroads in our business. They have been conducted with skill and intelligence that warrants our mimicing them; the employment of the highest class copy producers; the presentation of attractive and instructive copy; the employment of publications circulating direct to the active and prospective consumers; with a dash and daring that is irresistible.

ENORMOUS EXPENDITURES FOR ADVERTISING SUBSTITUTES.

The magnitude of this campaign is startling, and from sources that are reliable the statement is made that the annual expenditure for the advertising of various substitutes for wood is as follows:

Cement	$600,000
Concrete fence posts and building blocks	125,000
Concrete piles and metal piles	25,000
Concrete sidewalks	100,000
Steel tanks and concrete	25,000
Metal furniture and filing cabinets	125,000
Metal lockers	25,000
Stone	75,000
Brick	150,000
Fireproofing (houses)	125,000
Iron fencing	200,000
Metal store fronts	100,000
Metal cornices	15,000
Metal window screen frames and weather strips	20,000
Metal ceilings	200,000
Expanded metal and metal lath	150,000
"Wall board" and composition substitutes for lath, etc.	50,000
Tile, cork and composition, etc., flooring	25,000
Metal doors and trim	150,000
Metal window frames, etc	100,000
Metal shingles	50,000
Slate roofing	50,000
Tile roofing	50,000
Composition roofing (Barrett, etc.)	150,000
Prepared ready roofing (Farms)	200,000
Tin roofing	100,000
Paper boxes, etc.	5,000
"Metal lumber"	75,000
Metal rowboats, launches, etc	75,000
	$3,140,000

The annual expenditure of these exploits aggregate over $3,000,000, and this has been in existence for the past seven years—a total of at least $20,000,000.

Who dare deny that it has been successful?

ADVERTISING SHOULD BE GENERAL RATHER THAN SPECIFIC.

Can a single instance be cited where an exploitation of the use of wood has been conducted to call the attention of the public to its suitabilities? Those that have been promoted were merely to advocate a specific species of wood. Further discussion will probably enlighten you on this subject.

My proposal is to exploit all the woods as suitable materials for a variety of purposes, and it matters not insofar as the industry is concerned what species is used by John Jones and his wife, who are about to build their new home —whether it be fir, spruce, pine, hemlock, hardwoods or what not. The results generally are the same.

But assume what state of mind John Jones and wife are in if on examining a publication treating upon house building, purchased at the nearest newsstand, to assist them in arriving at some definite conclusion, so as to convey their ideas to their architect, they find a variety of advertisements exploiting woods, suitable for structural materials, all laying claims to their material being the strongest, toughest and most desirable. I presume the architect would settle this dispute by recommending the use of a substitute material.

This association is representative of a production of twenty-five billion feet of lumber. Who would begrudge an expenditure of one cent per thousand on their cut? What a fund it would create, handled in a suitable manner! LUMBERMEN, STOP BEING FATALISTS! HELP YOURSELVES! and accept this as one of the methods to combat our problems. (Applause.)

PRESIDENT HINES: Gentlemen, we have another address by Mr. A. T. Gerrans, along the same line, and we will now hear from Mr. Gerrans.

Usefulness of Wood Versus Its Substitutes

BY A. T. GERRANS, OF HOUMA, LA.

Mr. President and Gentlemen: One of the notable things I heard this morning from Mr. Emerson was that this is a very rapid age. My friend, Mr. Gilchrist, has come down from one thousand years before Christ to the present time in about twenty minutes; so I will not waste any time, but will take the next chapter immediately. (Laughter.)

The statistics recently published by the United States Forest Service show that the production of lumber in the United States increased in 1909 eleven billion feet, or 33 1-3 percent over 1908. The question is logical, "What have we done towards intelligently disposing of this enormous amount of lumber?" Generally, I believe, we have contented ourselves with one expression, "the other man ought to shut down and stop overproduction."

This time-honored custom has worn itself out and it behooves the lumber manufacturer, who is ordinarily a sharp and shrewd individual, of broad and resolute mind, to find the real trouble and correct it. I believe the real trouble is that while we eagerly anticipate and adopt new logging methods, new types of machinery and new grading rules, we still cling to the old fogy idea that advertising is all right for the razor, graphophone, soap, tailor, breakfast food and patent medicine man, but is no good for us. Advertising, gentlemen, is to convince the public that it will *pay it* to do what *you* want it to do.

I call your attention to slip No. 4 on your seat, which shows the amount of money expended during the last fiscal year of thirty-six of the leading railroads of the United

States, amounting to a total of $5,828,966. These railroads have a mileage of 129,223.48 miles, which means an investment of $45.33 per mile in one year, solely to convince you that, first, you should travel, and, second, you should travel over their roads.

Now, contrast that with what the lumbermen have done to sell their product to the same identical people that the railroad man tries to reach, and we find that in 1909 there were forty-four billion feet of lumber sawed. No one will dispute me when I say that at the lowest calculation this lumber was worth $10 per thousand, average. Then that means 440 million dollars. How much did we lumbermen spend in 1909 to intelligently (as does the railroad man) put our goods before the customer? And how intelligently was it done? We simply carried our advertisements in our trade journals, there to be read by the retail dealer or wholesaler, as the case may be, but not a dollar did we spend in an endeavor to reach the man who builds the house—the real, actual consumer of our product. We all take the current magazines, and who among us does not look over the ads, made so attractive by men skilled in their profession, and what do we find? I will tell of a few:

ADVERTISING SUBSTITUTES FOR WOOD.

The Stewart Iron Works Company says: "Cheaper than wood, lasts a lifetime. Let us show you economy."

The Good Roads Machinery Company, who says: "With our adjustable moulds, concrete culverts properly constructed are undoubtedly most durable, and with these forms can be built at about the cost of lumber culverts." It seems from this that the one consolation we have hugged in our bosom that we still would be able to furnish lumber for the moulds or forms is becoming a delusion.

Fiske & Co., who advertise tapestry brick, says: "You can afford a brick house—you cannot afford one of wood."

The Safe Cabinet Company says: "Equally as convenient

as best wooden cabinet, and costs only a little, very little, more than wood."

Johns-Manville Company says: "Our asbestos fireproof shingles never rot, decay, warp or split like wood shingles."

Detroit Steel Products Company says: "Steel windows command a small premium in price over wooden windows, but do not require constant outlay for renewals or repairs, and when considered from a practical standpoint, are never discarded in favor of wooden sash."

I could take an hour of your time reading such ads, every one a conveyor of specious arguments to convince our old customers not to use wood and in every case that they succeed they take away another slice of our old trade. To quote from a recent issue in a paper: "Lumbermen, no matter what may be their individual differences, must take energetic measures to defend themselves against the Common Enemy."

LUMBERMEN SHOULD BEGIN COÖPERATIVE ADVERTISING.

We may be mistaken, but we believe that the lumbermen of the entire country are about ready to effectually coöperate in something that gives promise to utilize their combined efforts for the common good. Therefore, gentlemen, if our competitors are intelligently and diligently seeking to convince our old customers that they want something besides lumber, we, in self defense, must seek to educate them, for intelligent advertising is nothing more or less than education.

There has been no concerted effort by the producers of substitutes for building materials of any kind to injure lumber, but advertising has been done for several years by cement, fireproofing, metal sash, prepared roofing, metal shingles, and other similar manufacturers, the mass of which has been enough to seriously interfere with the natural growth of the lumber market as a whole. We will not attempt to put them out of business, but we must arrest the

trend of events. Why can't we put up a fight for wood that will knock the tar out of prepared roofing and the daylights out of metal sash? Our competitors have rolled us pretty thoroughly, but let me call to your attention slip No. 1, where, after all the rot, decay, warping, splitting and other bad qualities of poor wood, we learn that the crowning defect of all is that it is unsightly!

WOOD VERSUS STEEL AND IRON.

We have been very short-sighted and have unquestionably been asleep, happy in the knowledge that wood is the natural and historic structural material and the best friend mankind ever had, and happy in the belief that it was eternally proof against competition and substitution. Now that we are awake, let us plan to regain some of our lost prestige—let us show that what might seem to be extravagance is the very best economy.

Note, if you please, slip No. 3, culled from the editorial columns of a daily paper. Let us talk to the same people this editor talked to—let us show that depreciation of property is not necessarily a matter of falling to pieces, it may be a lessening value due entirely to an advance in public taste, or to some mechanical improvements that can't be adapted to an obsolete type of structure. Your real estate is dead if it is encumbered with a structure you can't rent —can't use—and can't tear down. Too much permanency and consequent inadaptability to change or alteration often renders an investment an almost total loss. Look at the modern war vessel—a ten million dollar investment in steel and iron, worth little more in a few years than the cost of destruction. Look at the Great Southern Lumber Company's steel planing mill that burned down with no insurance. Why carry insurance on a fireproof building? Did they rebuild of steel? No, they did not; they rebuilt of GOOD OLD WOOD.

Look at slip No. 2. Did the Arlington Manufacturing

Company rebuild of steel? Not on your life! Wood is good enough for them. Any man can make a mistake, but it's only a fool who makes the same mistake twice.

DISMAL FAILURES IN USE OF CONCRETE.

Let me read you a few lines from an article from the Technical World magazine, entitled, "Truth About Concrete."

"Men of my acquaintance who are not engineers, knowing that I have both designed and built things of reinforced concrete, make very insinuating comments on it for my especial benefit. 'I don't think so much of it as I did,' says one. 'I paid five thousand dollars for a concrete cellar and now it isn't water tight. You'll have to show me where it is such wonderful stuff.' Another asks confidentially: 'On the level now, if the A. B. C. Company's new building isn't cracking, why do they need to coat it with that asphaltum weather proofing?'

"The Bureau of Yards and Docks, using their greatest care and the finest materials, built a concrete bulkhead around the Charlestown navy yard in Boston harbor. In about seven years it was almost a total wreck. Some engineers said it was frost, but the bureau wisely ventured no haphazard explanation. In the harbor of Baltimore was built a pier with expensive concrete piling under it. Now the piling begins to be eroded or rotted just at the water's edge. This time the experts ventured that it might be city sewage or floating ice. In my own mind I am satisfied that neither frost nor ice nor sewage worked this havoc, for I have seen concrete piers placed with the greatest care in water where frost and sewage never were known, which, nevertheless, after five years, a chicken could eat with a relish.

"Turning from the influence of salt water to the inland, we find one of the principal uses of concrete is for drains and sewers. It seems an admirable material for such pur-

poses, easily formed to any shape or size, and very cheap. Yet when the tile interests, the arch enemies of concrete sewers, wrote inquiries here and there as to how concrete sewers were holding out, they received answers from several laboratories and universities of standing—from Chicago, Ill., Paterson, N. J., Springfield, Mass., Portland, Me., Memphis, Tenn.—about a dozen principal cities in all—to the effect that concrete sewers were a dismal failure. A few years underground and the sewer acids and sewer gases reduced them to crumbling wrecks. So much for sewers; but even in the case of clean irrigating water we are not free from disaster, for in the Shoshone and Sun river projects the Reclamation Service, despite its well earned reputation for doing good work, found after a few years that certain concrete drains which they had laid with great care were reduced to streaks of sand."

WOOD RESISTS FIRE BETTER THAN ITS SUBSTITUTES.

Finally we arrive at the failures by fire. It is not necessary to catalogue them. Just a few remarks with reference to a report of the Engineering Experiment Station of the Boston Manufacturers' Mutual Fire Insurance Company. Referring to slow burning or mill construction they say: "Timber posts offer more resistance than either wrought iron, steel or cast iron pillars. Moreover, the mill construction of the factory has proved to be so safe as a whole, and such factories have been covered by our mutual insurance at so little cost, as to render it wholly inexpedient, even unnecesary, for the owners of textile factories and workshops to take any other method into consideration. Iron posts have been crippled or sprung by heat a great many times at an early period in a fire. A wooden post of suitable size has never burned off until other parts of the building were already destroyed. They have in one instance resisted fire for hours which destroyed granite posts close by them by cracking and scaling, although the granite meas-

ured 12x12 inches. All these topics are interesting—nay, more than that, they are vital to us.

I could extend my remarks for a considerable time, but it is not necessary. We surely must grant the necessity of trying to regain some of our lost ground, and I have endeavored to show you in a small degree that some of the material we rather look upon as indestructible is not so; also that there are two sides to the question of building too permanently; and in conclusion, I beg to state that the Southern Cypress Manufacturers' Association, at its last meeting, after a presentation of the subject of an advertising campaign, to be carried on by the National Lumber Manufacturers' Association, unanimously adopted resolutions favoring the project, and voted one cent per thousand feet on their output, provided the other associations joined in the movement. We feel that movement can be made, and will be made, a great success, and provide what we are all looking forward to—a greater demand than supply. (Applause.)

Attitude of the Retail Lumber Dealers

GEORGE E. WATSON: Mr. President, is it in order to discuss this subject?

PRESIDENT HINES: You are the next now, Mr. Watson.

MR. WATSON: I merely wish to read a letter from a retail lumber dealer, located at New Washington, Ohio, which will give the attitude of the retail lumber dealers, or a large number of them, who are thinkers on this advertising subject. This is dated April 19, 1911, and is as follows:

New Washington, Ohio, April 19.—For some time we have been trying to figure out what the trouble is with the shingle market. We realize that we are only furnishing shingles for a very small percent of the roofs in this part of Ohio. Our trade is all with farmers and we never miss an opportunity to talk shingles for covering either new or old buildings, and we are astonished at the great diversity of reasons given by the farmers themselves why they should use almost anything else rather than shingles.

We were much interested in the discussion on the subject contributed by an Ohio man and published in the American Lumberman recently. It indicates to us that there are others besides ourselves who are beginning to feel that something should be done to relieve the situation; and, you know, we never begin to seek a remedy for any harmful condition until we realize that such a condition exists.

In riding through a number of states recently I observed that nearly all of the newer buildings everywhere are covered with other kinds of roofs; therefore I conclude that lumbermen everywhere must begin to feel the loss of shingle trade soon, and naturally all will begin to seek the remedy, if they are not already seeking it.

I believe that lumbermen, generally, believe in shingles; that is, they believe that a man can roof his building with a good, serviceable roof covering for a term of years at a smaller initial cost and upkeep cost with shingles than with anything else, unless the roof should be so flat as to shut out shingles entirely. I think also that the ordinary lumberman believes that we are getting a pretty good class of shingles, except in rare cases, where some mill sends out a poor lot; at any rate, I do not believe anyone will contend that the falling off in shingle sales is all due to lowering of the quality of the shingles. Neither do I believe that anyone will contend that all of the retailers of today are poorer salesmen than they were twenty years ago. Neither will anyone contend that retailers are spending less on advertising now than they did then. So that if you will concede to us that our goods still have the merit; that we are reasonably good merchants; that we are diligent about advertising and getting the people informed as to what we have to offer to meet their needs, then you must concede that the trouble lies, partly at least, somewhere else.

You will say that you are not interested in all of the foregoing because it recites only what is the matter and you will ask, "Well, what is the matter?" Now, if you will ask one hundred persons that question each will give a different diagnosis and offer a different remedy, and, like the blind man and the elephant, each will be partly in the right and yet all in the wrong.

ADVERTISING SUBSTITUTES HAS DECREASED USE OF SHINGLES.

Personally, I think that the shingle producers and wholesalers, who are the ones having the most at stake in it all, have been outclassed as merchants by almost every Tom, Dick and Harry who could get up any old kind of a roof covering and get a well-sounding name for it, and then had the enterprise and the money to advertise it to the roof-using public, thus educating the roof users away from shingles and to everything else.

If you talk to the farmer about shingles for his new barn he will tell you about somebody's grandfather whose barn had burned, losing all his crop because a spark from the engine caught in the shingles when they were threshing. Another will say that an iron roof is cheaper than shingles, which is not true; but it does not make so much difference in making a sale what the truth is as what the buyer believes the truth is. Another will say that the lightning will follow down his galvanized roof and down his condutcor and leave his barn unharmed. Another will say that his insurance costs him less. Another will say, "Why, nobody uses shingles any more." Another will point you to some good iron roof that has been in use for twenty

years and is still in good shape, and so on. Now, where have the roof users obtained all of this information and misinformation? You know it is the result of general advertising carried on by the roof producers and reaching the roof consumers. And every class of roof, except shingles, is so pushed by the concerns who produce the roof.

If we will let some composition roof man put us in a few rolls of roof that will last a few years when laid, we can send him a list of one or more hundreds of names and he will take up a campaign of systematic hammering at them until he gets them to come after some of his roofing.

I do not know of any of the shingle producers advertising their products in any periodicals of general circulation. And even the advertisements furnished to the lumber trade journals do not furnish the retailer with any arguments to use for shingles as compared with other roofs. What they say in a stereotyped way is that they have the shingles that are superior to all others. What we want them to tell is why the shingles are superior to all other roofs and to tell it in such a way that it will be convincing. We also want them to tell it to the millions of people who are going to use some kind of a roof soon.

Now, I believe that if the big fellows will do their part the retailers will meet them more than half way. If they will wake up and put some of the kind of vim into their advertising that is put in by composition roofing concerns, by patent medicine men, by ready-made clothing houses, and by breakfast food factories, they will find the retailer ready to pay for space in local papers to help sell shingles.

The shingle business has merit and can be won back again by a mighty united effort, but such things do not just happen, but require brains, enterprise and money to bring them about.

J. H. DONALDSON.

PRESIDENT HINES: Gentlemen, we will now hear from Mr. Luehrmann.

Experience in Specialty Advertising

BY GEORGE E. W. LUEHRMANN, OF ST. LOUIS, MO.

At the request of some of the members I have been asked to relate our experience in advertising red gum. Our company was one of the original five that advertised red gum. During the first four months of the campaign of advertising we received practically no inquiries or orders that could be traced to that particular advertising. After the fifth month, however, we secured a great number of orders and received a very large number of inquiries so that we were justified in increasing our prices. The market price at the time we started to advertise was about $22 at the mill on first and second red gum. When the orders began to materialize we had no trouble in securing $26 and in a very short time thereafter $28 at the mill. Our campaign started commencing with January, 1908. Since then we have had no surplus of first and second red gum. Our prices have since then been increasing so that today we are receiving $36 to $40 for first and second red gum and $21 for common red gum at the mill.

The amount of money we spent during the first twelve months was comparatively small. It was not an easy matter at the time we started this advertising to induce the original five to subscribe the required amount. Mr. Gilchrist, now a convert, was the hardest customer to convince that the advertising we were about to begin was in the proper channel to sell our red gum at a respectable price. It really became necessary for us to lock him up in his room and not release him until he signed the contract. (Laughter.) He is today one of our most enthusiastic members, and is ready to be the first to sign his subscription for each year.

Experience in Specialty Advertising

Within the last few months I have given the matter of general publicity advertising considerable thought. Substitutes have been making great inroads upon the lumber trade. If a substitute is not as good as the wood it replaces, advertising places it before the consumer so that he naturally feels that it is better. I, myself, came to the conclusion that many of the substitutes were better than wood until I made a practical demonstration to the contrary. I have an automobile which I drive daily, in all sorts of weather; I have had it about a year and a half; keep it in a private garage. It receives better attention than the majority of machines do. I find that the fenders are all being eaten by rust and although I have had them painted after being used for eleven months, find that I am unable to keep the fenders from going to pieces. A short time ago I rode in a car belonging to a friend. The body of the car was made of metal. The noise that this part of the car made was terrific and any one who did not have steady nerves would certainly have been unpleasantly affected by the noise.

STEEL VERSUS WOOD.

I have lately made a trip through a large car and foundry plant to investigate the substitution of steel for wood in the car building industry. I found that the annual output of cars was about 180,000 to 200,000, with a maximum in one year of 235,000. Of this annual output of 180,000 cars, 60,000 are gondola, ore and coke cars and 120,000 are box cars. Of the box cars 80 percent are made with a steel under frame; of the gondola or coke or ore type, practically all are made of steel. The average box car when made of wood takes about 6,500 feet. Made with steel under frame it takes 4,000 feet, or a loss of 2,500 feet to the car. The average gondola or coke or ore type, when made of wood, takes 4,000 feet. If of steel no wood at all is used. This makes a loss to the lumber trade in

lumber on box cars of over 200,000,000 feet; on gondola, coke and ore type cars, 240,000,000 feet, or a total of 440,000,000 loss to the lumber trade each year. This is vital. Whether these cars of steel are better or even as good as those of wood from an economic point of view is yet to be determined. The cost is 30 to 50 percent more for steel cars. I am also informed that it takes more coal to heat a steel car than it does to heat a wooden car. Within the last six months I have known several friends who have gone east on passenger cars built of steel. They complained bitterly at the end of their ride and stated that they would never travel in another steel car if it could be avoided. All of this information is valuable and if investigated further would be excellent to use in advertising wood. Personally, I do not think enough time has elapsed since they started to build steel cars to enable railroad men definitely to decide. It is well to bear in mind that most of the directors of the steel trust are also on the large railroad boards. The shingle manufacturers have been hit hard owing to substitutes. Whether these substitutes are better than wooden shingles is to be found out. I believe that close investigation will show that wooden shingles are better than most of the substitute roofing.

Personally, I believe the lumbermen have overlooked a crying need not to have advertised their goods at an early date. I certainly feel that an organization or club should be formed at once and receive the support of every timber owner and manufacturer in the United States. A committee should at once be appointed and men should be selected who have had experience in this line of work. As for the little experience that I have had I can safely say that a great deal of money can be wasted in printers' ink by inexperienced men. Others may become too enthusiastic and spend it in too large a quantity, so that I suggest we select a committee of conservative men who can give the matter attention. While we gum producers have no official organ-

ization, I think I can state on their behalf that we are in on any advertising proposition on the same basis as other woods. It is easy to waste money in ordinary and commonplace advertising.

Introducing Charles E. Brower

President Hines: I referred in introducing Mr. Gilchrist, to the substitute box. This development has been extremely serious in its effect on the lumber business and especially upon the lower or box grades. It was felt as such a hardship upon lumber producers in several varieties of wood, that, instigated by the wooden box manufacturers, an organization was formed about two years ago called the "National Classification Committee of the Lumber and Wooden Box Interests of the United States," the purpose of which is to secure a lower classification on commodities shipped in wooden packages, as against those shipped in fibre or paper. This work has been in charge of Mr. Charles E. Brower, of Memphis, Tenn., secretary of the committee, who has devoted most of his own time for the last two years in furtherance of this work, and has, furthermore, expended in it a considerable amount of his own money. He may tell you about this particular work, but just now we would like to have him tell us something about the relationship of this substitution question to the advertising business, for the substitute box has very largely been promoted by advertising, and the question we are interested in is, how can we so advertise the wooden box, as to promote its use? I take pleasure in introducing Mr. Brower.

Marketing the Low Grade Product

BY CHARLES E. BROWER, OF MEMPHIS, TENN.

Mr. President and Gentlemen: For the past two years I have been trying to arouse the interest of the lumbermen throughout the country in just such a campaign as this. Two years ago it became necessary for the lumber industry throughout the United States to take cognizance of the fact that their market for low grade lumber was being destroyed, owing to substitution of paper, pulp and fiber in the manufacture of a shipping container.

In the outset, I wish to say that this movement was fostered by a rule adopted by the common carriers of the United States, and, in addition to the aggressive advertising by the manufacturers of the substitute packages, impetus was given to their industry by this very ruling. The rule originated with the Western Classification Committee, and in its concrete form is about as follows: "That all commodities packed in paper or substitute shipping containers shall take the same rate of freight as like commodities packed in a wooden box."

Here is a significant fact: Those roads which were first to adopt Rule 14-B—and I might add that this rule has been adopted by all of the common carriers in varied form—the very railroads which were the first to adopt this rule were the first to go to Washington and demand that they be permitted to advance the rates of freight on all classified commodities, claiming that the cost of handling such commodities had so increased, and the general tonnage had so shrunken that it was not profitable to do business on the present rate basis; and they therefore were entitled to an advance.

They are compelled to give the paper package preferred handling. If they do not give it preferred handling, the commodities do not reach their destination in good shape and claims accrue. Laborers can not handle the paper boxes with the same facility and speed that they can handle the wooden boxes. They are compelled to give it, in every step, a minute attention that is not necessary to give to a wooden box. That accounts for the extra cost of handling, the increased claims for handling. The loss in tonnage, due to the difference in weight between the wood and paper package, for which they have not compensated themselves in any way, was another argument for increased rates.

All that this committee has contended for in the past two years is the equalization in transit of the wooden package with the paper package. Under the present existing conditions, you will all readily realize that the perferment of the paper package means the death of the wooden package business, and the wooden package consumes 65 percent of your low grade lumber, and is the logical consumer of the low grade lumber.

Advertising may be of some use, but it must be specific advertising. The common channels of use created by the wooden box was an open market. We have seen the low grades go down and down and down; we have seen the market congested until this committee came in, and I am frank to say, through our efforts, there have been immense movements of low grades. The work of this committee has not been properly supported. We have had all manner of difficulties, and the principal difficulty that we have had to contend with is the lack of understanding and comprehension by the people we are trying to serve.

We have at last succeeded in getting the Western Classification Committee to call a meeting, the first within a year and a half, and we are hopeful that at the

meeting in July the logic of the opposition will be sufficiently explained to them so that they will advance the classification of the commodities packed in paper packages, so that the wooden box will have a chance to compete with them.

Let me read to you an advertisement which appeared in "System," in May. (Reading advertisement.)

We have not done anything to refute such advertisements. They are palpable lies on the face of them; they are malicious, you might say, except that they are done for the purpose of personal aggrandizement; but we have not done anything to combat them, except the work of this committee.

UTILIZATION OF BY-PRODUCTS.

It seems to me that the low grade lumber market is the basis of conservation of the lumber interests. It seems to me that when we look about us and see advertising by the large corporations, that we may find food for thought in the form of their advertising. Did you ever hear of the beef corporation advertising a beefsteak? They advertise their by-products; they advertise beef extracts, soap, and articles of that description. Did you ever hear of the Standard Oil Company advertising kerosene? They advertise vaseline, by-products, coal tar products.

Why not consider your low grade lumber in the nature of a lumber by-product; why not do as other large corporations have done, utilize your by-products? It does not seem to me that God intended us to throw away the tops of the trees, when the Standard Oil Company gives us coal tar. I think we should establish a bureau of research, as other producers have done. The Standard Oil Company employs expert chemists to do nothing but consider by-products. It seems to me the lumber industry should wake up to the fact that it has

valuable by-products. I am not sufficiently well informed to give specific instances of utility of by-products, but even sawdust, as humble as it may be, might be productive if we could get the proper brains to show its productivity. It is what will develop that will make profit for us. The waste that is going on every day should be subject to utilization, should be made a dividend payer, should be an added asset to every lumberman. We know, when we leave the tops of trees in woods, that we encourage fires, and I think we should spend some money to encourage a fertile brain to discover use for them. I think we should discover some utilization of what God has given us for the benefit of mankind and for the upbuilding of our own private fortunes. It seems to me that we should all get together on just the subject that is being discussed here now, that of furthering our own interests and not to depend upon others to do the work that we should be doing for ourselves. I thank you, Mr. President. (Applause.)

PRESIDENT HINES: Mr. McGoldrick, will you please give us your views on the advertising question?

J. P. MCGOLDRICK: Mr. President, I have not prepared anything. My name is not on the program.

PRESIDENT HINES: We would like to hear from Mr. C. C. Bronson.

MR. BRONSON: Mr. Chairman, I have not prepared any paper to present at this meeting. The West Coast is taking steps to advertise their products. I think if this matter were taken up in a national way more could be accomplished than could be accomplished individually.

PRESIDENT HINES: Personally I think this is a very important subject. We have here men who, in the past, have given considerable thought to the subject and who are capable of saying something on the lines of this important subject. I would like to call upon Mr. John L. Kaul of Birmingham, Ala.

(Mr. Kaul did not respond.)

PRESIDENT HINES: Mr. Stillwell, will you let us hear from you?

W. B. STILLWELL: Mr. President and Gentlemen, I have really

not given much thought to this subject, except in a general way. I have considered for a number of years that we have neglected our own interests in not advertising our woods, and wood for all purposes. I know of cases where shingles have been on the roofs of houses for nearly one hundred years and they were still on, and were not so that the chickens could eat them. They were turning the water yet; and I saw personally a house in Savannah that was built about one hundred years ago, and about twenty years ago that house was moved bodily about two miles from its original location, hoisted up and put on a frame on car wheels and moved down the street for about two miles, and the sills of that house were as solid as they were the day they were put in it, as well as the studding and framing of the house. That house was moved about fifteen or twenty years ago and rehabilitated and occupied its new position for the balance of that time, in the neighborhood of fifteen years. Just a year or two ago it was pulled down to make room for a finer house, and all of the sills and framing were readily disposed of for uses in other houses; and how much longer that yellow pine framing and sills will last I am not able to tell you. I think it is those things that we ought to put before the public in a telling way. I think if we would, there would be more timber used, more of our timber used than there is of steel. There is no question but what, in a fire, wood has proven that it burns slower and subjects the building to less damage. With steel, if one part of a building burns, it practically upsets the machinery in the whole building; the heat disarranges the studding and other portions of the building so that you practically have to rebuild the building before you can run your machinery. Facts of that kind put before the public will put our woods into more general use, and I certainly would recommend a course of advertising along that line.

President Hines: We would like to hear from Mr. Long now.

Mr. R. A. Long: I do not know that I have anything to say especially, gentlemen, only that it seems to me it would be a good idea. I think we are all agreed that it is well to do a given amount of advertising along lines where we see possibilities of good returns. I presume the matter of advertising creosoted blocks has been before this body, for that seems to be the most important outlet for a large portion of our product. I think I have nothing else to say, Mr. President.

President Hines: Gentlemen, do you not feel, from the discussion that we have had for the past hour or more, that we ought to have a special committee appointed? I would be very glad

to have a motion along those lines and appoint a committee, or recommend that our new president give that question favorable consideration. I would be very glad to have some one offer a motion along those lines.

Mr. Dalzell: I would suggest that that matter be referred to the Board of Governors, with power to act.

President Hines: Gentlemen, we will so consider it.

We have with us today Mr. Hollis, Secretary of the Northwestern Retail Lumber Dealers' Association. We would like to hear from him now.

Exhibition of Commercial Grades of Lumber

W. G. Hollis: Mr. President and Gentlemen of the convention: What I have to say may appeal more particularly to the individual manufacturers of associations in the National Association, along the line of market extension. The association of retailers, of which I have the honor to be secretary, covers four states, Minnesota, Iowa, North and South Dakota, and has a membership represented by 2,700 retail lumber yards. We have been meeting in Minneapolis for the past 21 years, always in the month of January. For the coming meeting in January, 1912, I have secured a floor space of about 40,000 square feet on the ground floor, and I propose to offer this space first to lumber manufacturers' associations which may desire to make an exhibit of commercial grades of lumber—that is, such lumber as they desire to sell in the territoary represented.

We will undertake to have present to examine that lumber and inquire about its usefulness, its cost, etc., about 2,000 dealers, possibly 2,500. I am going to do considerable advertising to make this the largest gathering of retail dealers ever held in the history of this country. Please understand that I offer this space to the manufacturers' associations first, as much space as each may want, and when all of the manufacturers who desire to accept—that is, the manufacturers' associaiton, not the individuals—when they shall have taken all the space they desire, I will then let the balance of the space out to private exhibitors of lumber products, such as sash and doors and other commodities usually carried by the retail dealers.

We desire that the manufacturers' associations, which exhibit at that time, shall send us a complete assortment of such lumber as they expect to sell to our people, that it be the commercial grade of lumber that they expect to ship when the orders come in. Nothing that is prepared in any way as to grade, or made particularly

good looking by specially prepared machines in the planing mill. In other words, we don't want our members to come to Minneapolis and see this exhibition and learn about these different grades of lumber and go home and order some and be disappointed in what they get. We want you to show them just exactly what you have to sell, and to send competent men with the exhibits to explain to them all there is to say from the manufacturers' standpoint about the lumber.

Now as to the cost of it; the space naturally will cost something. It is our intention to have some music for the opening session, and there will be some other small expenses. and the idea is to divide the entire space up against the total cost and charge those who occupy space exactly what it costs, pro rata, to provide; with no charge for the service of arranging and caring for it and looking after all the details.

We believe this is a means of market extension which should appeal to you. We hope that every organization of manufacturers that desires to exhibit at that time will take the opportunity and communicate with me early. I asked the opportunity of speaking to you today because I know that you come as delegates from your various organizations and will go back to make reports, and it will be an opportunity for you to bring up before the proper authorities, if you are interested, in your associations, that they may take advantage of what we believe is an opportunity for you to extend your markets among our people. We shall arrange our business meetings in such a way that we will be practically all through by Tuesday afternoon, at five or five-thirty. We will open this exhibit Tuesday evening. It will be open Wednesday and Thursday, without interruption by any meeting. I thank you, gentlemen. (Applause.)

President Hines: Gentlemen, the first thing on the program for this afternoon is the subject of "The Railroads and the Lumber Industry." Mr. Wendling very kindly stepped aside in favor of the advertising feature. We have now sufficient time and would like very much now to hear from Mr. Wendling on this particular subject.

The Railroads and the Lumber Industry

BY GEORGE X. WENDLING, OF SAN FRANCISCO, CAL.

The subject of an address on some railroad topic seems very easy perhaps, but in view of the fact that I received the manager's wire about thirty minutes before departure from home to attend this convention, having no time at my disposal to gather data for a paper on this subject, I have hastily prepared this paper from memory, necessarily briefly.

I have read much in recent years about the extent to which railroad companies were imposing on shippers of all commodities, and particularly the transportation of logs to mills and lumber to market.

My experience, ranging over a period of some twenty-three years in California, leads me to the conclusion that the trouble with most lumbermen is that they do not reach the men in authority, but develop (too frequently) acrimonious relations with local agents and so-called district freight agents with but limited authority, or perhaps none at all, hence misunderstandings arise.

The place to reach for is the president, the vice-president, or some other official with authority, and when you reach him, a candid statement of your needs may not give you what you ask for, but should give you all you are entitled to, for the good and excellent reason that the traffic man is keen and alert, knows his business as we (perhaps) know ours.

Too frequently the lumber man or merchant seeks more than he is entitled to, or wants what he asks in the light of a favor on the theory that he gives the carrier a large tonnage and with the hope of aid for himself to the detri-

ment of his neighbor. No better illustration can be given than that the traffic man in order to aid the enterprise and secure the tonnage made secret rates that in many instances yielded a net slightly over the cost of traction, which former secret rates have in nearly all cases become the later published rates, and in many instances are astonishingly low. Happily that condition no longer obtains, and rates made for one obtain for all.

RAILROADS IN CALIFORNIA ACCORD FAIR TREATMENT.

We of the lumber industry in California have no quarrel with the railroads. We represent our cases purely on their merits, asking what we would cheerfully grant if we were the carrier, and while our views are not always met in full, we, nevertheless, get good and fair treatment.

I presume one important factor producing this pleasing condition is due to the fact that we always leave the entire routing of our shipments to the general freight agent of the initial line. To illustrate: if a shipment originates at Weed, Cal., we ask the Southern Pacific for a car, being on the Southern Pacific line.

The Southern Pacific are naturally the only people to the transaction; they supply the empties and when loaded are routed over Southern Pacific lines, so far as they extend, and thence to the ultimate destination over their friendly connections as they may wish. This method has much of economy and compensation of time for both carrier and shipper, in that the shipper, manifesting full confidence in the carrier, is in turn entitled to the carrier's full confidence. Hence, the carrier naturally takes the best possible care of the shipper, who is honor bright and worthy of trust; the same is true of the lumber manufacturer—he takes the best of care of his squarest and best patrons.

And last but not least, I find that my time, and the time of my associates, is immensely conserved in that soliciting freight agents, whose business it is to tramp the streets

looking for tonnage, ceased calling on us many years ago in the hope of securing the routing of a shipment, whereas in earlier years and before adopting this method, some 5 to 15 percent of our time was taken up by tonnage solicitors.

TRUE COST OF MANUFACTURING LUMBER.

I wish briefly to depart from the direct line of my assigned subject, in order to speak of another matter in the line of another form of economy, namely, in the matter of teaching our neighbors in our line the true cost of manufacturing lumber, no method is so good as that of intimate acquaintance, affording an opportunity for comparison of costs. Thousands of manufacturers are from $1 to $4 off in their cost line, and in order to correct this evil we have cultivated each other in California until we are well grounded on costs and thereby have removed, to a very large extent, an unknown and dangerous factor in the true value of materials.

We have, of course, that element in business, "the new recruit," who has a mission—namely, that of showing the older ones how to make dollars where we endeavor to make cents, but we seek to educate them, recognizing *that* as a part of our general work, knowing that if he does not know his true cost line, and takes several years to find it, he will sell for that period at a loss, thinking it is actually making a fair profit, and the sooner we educate him the sooner that hiatus is removed from the market.

Our method consists of several lines; hence this as one sample with general discussions, will serve to illustrate:

SAMPLE.

Stumpage	$2.50
Logging	3.50
Sawing and piling	2.50
Planing mill charges	1.00
Overhead charges	1.00
	$9.50

The foregoing is the usual sample from the new operator who does not audit his business, and likewise with many old concerns who do not audit monthly, take all factors of cost, together with interest on his capital, depreciation, etc. I recognize that this cost line will strike many operators as high, but the cost of making lumber in California is naturally high, because in the Sierra Nevada range of mountains we operate saw mills about eight months out of twelve months in high elevations, from 3,000 to 8,000 feet above sea level.

Recently I had a conference where the exact figures given in the foregoing were used as cost line. I asked the party where he had the item of interest on invested capital. He said that the capital received its proper reward in the profits earned. I asked him how much he had invested. He said about $500,000. I asked him how much in timber. He said $300,000, and in plant $200,000; a total of $500,000.

I asked him how much he owed his banker. He said $150,000, which, at 6 percent per annum, would be $9,000. He admitted that this $9,000 was an expense item and was charged to the cost of production. I then asked him if his $500,000 invested was not likewise worth 6 percent per annum (at which rate he could place his money on farm mortgages without worry or chance). He had to admit the fact and seemed astonished that he had not thought of it before. I then asked him how much he would cut annually. He said about 20,000,000 feet. I pointed out that this 6 percent on capital and borrowed money would equal about $39,000, or $2 per thousand feet, which, together with depreciation on $200,000 plant would be at 10 percent per annum $20,000, or $1 more, total $3, making his cost line in actual money expended $12.50 instead of $9.50.

This indisputably correct line of reasoning, based as it is on experience and fact, showed him the way to a true cost line, and if presented to your friends in the trade will in time produce wonderful results, but they cannot be accom-

plished except through intimate acquaintance that must come first. The best way to become well acquainted is to form local clubs, where a group of manufacturers can assemble frequently with convenience at luncheon, talk matters over, and you will be astonished to find what good fellows they are when you really know them.

CARRIERS ENTITLED TO REMUNERATIVE RATES.

I am of the opinion that if we kick less about freight rates, but let the carriers have fair remunerative rates, so they can provide adequate motive power, equipment and keep their roadbeds in first-class condition, this will better serve our needs than ornamentally low rates and no cars, with a generally inefficient service, compelling reduction in our production with that inevitable result—increased cost.

In conclusion, let us improve our knowledge of cost methods by educating our neighbors and ourselves, for, after all, one lumberman, when fully informed, is about as smart as his neighbor, both struggling to hold their costs down, and the sooner we are all informed, the sooner the industry will be on a firmer basis.

PRESIDENT HINES: Is Mr. F. E. Weycrhaeuser in the hall?

MR. WEYERHAEUSER: Yes, sir.

PRESIDENT HINES: In your absence yesterday, Mr. Weyerhaeuser, it was stated that the fund of $100,000, for the Yale Forest School, as explained by Mr. Rhodes, had been completed, and that all that remained to be done was to turn the fund over to the Yale Corporation. Would you now offer a resolution to that effect?

MR. WEYERHAEUSER: Yes, sir; I offer that resolution.

(The motion was seconded.)

PRESIDENT HINES: In addition, Mr. Weyerhaeuser, I presume the record should show that the committee will be discharged. That will be embodied in your resolution, will it not?

MR. WEYERHAEUSER: Yes, sir; I accept that amendment.

(The motion, as amended, being duly seconded, was unanimously carried.)

PRESIDENT HINES: Is the Committee on Resolutions ready to report now?

Report of the Committee on Resolutions

W. B. STILLWELL, Chairman: I will ask the manager to read the report of the Committee on Resolutions.

(Manager Bronson thereupon read the resolutions, which were as follows:)

Currency Reform

RESOLVED, That the National Lumber Manufacturers' Association heartily endorses the plan proposed by the Monetary Commission for the reform of our national banking and currency laws, and that we urge, without regard to party affiliations, the passage of the bill commonly known as the Aldrich measure.

Panama Canal Tolls

WHEREAS, The early completion of the Panama canal will lead to a new condition in the marketing of lumber and other products between the Pacific and Atlantic seaboards; and

WHEREAS, Under our present coasting law our merchant marine is not able to compete between ports of the United States on the two oceans with the foreign marine engaged in conducting transportation between foreign ports on the one ocean and American ports on the other, thereby producing an unequal competition between American shippers to American ports and foreign shippers to the same ports; therefore, be it

RESOLVED, That the National Lumber Manufacturers' Association in convention assembled this twenty-fifth day of May, 1911, earnestly urges upon the Congress of the United States the passage of remedial legislation such as is provided in H. R. 8663, known as the Mann bill, or H. R. 7271, known as the Fordney bill.

Canadian Reciprocity

RESOLVED, That the National Lumber Manufacturers' Association reaffirm its position heretofore taken, and opposes any further reduction in the tariff on lumber and other forest products included in Schedule D of the present tariff act; and, recognizing that the agricultural interests of the United States, which are the foundation of our prosperity, are in jeopardy

under the proposed reciprocity pact with Canada, it opposes the adoption of said measure and earnestly urges all members of its affiliated associations to do all in their power to prevent the adoption of the bill now in Congress designed to make said arrangement effective.

Investigation of Fire Waste

WHEREAS, Fire waste has become a national peril and a national disgrace; and

WHEREAS, No adequate record of the facts of fire waste now exists which discloses the causes or suggests a remedy; and

WHEREAS, The fire insurance interests are engaged in an educational campaign which seeks to fasten upon the property owner alone the blame for it and the responsibility for its correction; and

WHEREAS, The problem is of such vast proportions that no property owner and no small group of property owners can assume the cost and responsibility for its adequate treatment; and

WHEREAS, No authority below that of the Federal Government has either the legal right or the financial ability to ascertain the facts and prescribe measures of relief; therefore, be it

RESOLVED, That this association most emphastically endorses and approves the Joint Resolution (H. J. 97) introduced by the Hon. F. S. Jackson, of Kansas, May 12, 1911, and pledges itself, and urges the members of its affiliated associations individually, to use every proper means to secure the adoption of that resolution by Congress at this session, so that loss of life and property may be decreased at the earliest possible date.

RESOLVED, That a copy of these resolutions be sent to the President of the United States, the Vice-President, the Speaker of the House, and every member of Congress, as our urgent appeal for help.

RESOLVED, That a copy be sent to the Governor of every state, requesting his personal and official coöperation, as a matter vital to every citizen of every party and every state.

American Lumber Trades Congress

RESOLVED, That the National Lumber Manufacturers' Association again urge its affiliated associations to support and

join in the work of the American Lumber Trades Congress, believing that its operations so far have proven beneficial to the trade, in unifying custom.

Deceased Honorary Members

WHEREAS, The National Lumber Manufacturers' Association has lost by death during the year H. P. Svendsen, of Spokane, Wash., one of its honorary members, a man who possessed the well deserved esteem of his fellow lumbermen and who gave this organization his hearty support, as he gave it to all worthy associations of men, therefore, be it

RESOLVED, That this convention express its sense of loss at his death and place on permanent record this testimony to his personal worth, ability and integrity.

WHEREAS, During the association year the honorary membership of this organization has been invaded by the hand of death, taking from that list W. E. Wheeler, of Portville, N. Y., a distinguished lumberman and a valued friend of this association and its individual members, to whom a hearty tribute of memory can well be paid, be it

RESOLVED, By the National Lumber Manufacturers' Association that in the death of W. E. Wheeler this organization has lost one of its firm friends and supporters whose presence and influence will be missed. This organization desires to express to his relatives and friends its own sense of loss and its sympathy in their affliction.

* * * * *

RESOLVED, That the National Lumber Manufacturers' Association extends its thanks to Hon. W. H. Sexton, representing the Hon. Carter H. Harrison, Mayor of Chicago, for his kind words of welcome to the city.

* * * * *

RESOLVED, That the speakers, not members of this Association, who have commanded our undivided attention, by their most instructive addresses, are entitled to our warmest thanks, and our thanks are thus specially extended to Hon. W. H. Sexton, Messrs. James A. Emery, Harrington Emerson, George M. Reynolds and Dr. C. A. Schenck.

* * * * *

RESOLVED, That we compliment the management of the Congress Hotel for the efficient way in which it has provided for our entertainment and personal comfort, and for the ample provision made for this meeting.

RESOLVED, That we hereby thank the lumber press of the country for the generous treatment accorded this association by it, and urge upon all lumber manufacturers the importance of supporting these agencies of progress in the lumber world.

W. B. STILLWELL, Chairman.

PRESIDENT HINES: Gentlemen, you have heard the report of the Committee on Resolutions, what is your pleasure?

(Upon motion, duly seconded, and unanimously carried, the resolutions were adopted.)

Treasurer's Report

PRESIDENT HINES: Mr. Smith, have you the treasurer's report ready now?

GEORGE K. SMITH: Yes, sir. Our worthy treasurer was abroad all of the year, and that is the reason that I am giving this report in his stead. It is customary to close our accounts on the 1st day of April, as April was the month in which this organization was formed, and we have closed the fiscal year with March 31st. The statement shows that the assessments paid in, in the form of annual dues, up to the 31st of March, were $17,404.94; and since that time some $3,000 more has been received. Instead of showing a deficit of $2,000, we have in the treasury at this time $4,000, with unpaid dues for the year 1910, which are considered good, still to be collected.

INCOME.

Assessment account—annual dues	$17,404.94
Honorary memberships	1,800.00
Interest on bank balances	24.72
Miscellaneous receipts	5.20
	$19,234.86

EXPENSES.

Salaries	$10,283.49
Traveling expenses	3,194.02
General expenses	4,887.98
Rent	943.61
"The Forest and the Saw Mill"	1,279.53
Postage, printing and stationery	624.04
Exchange	18.62
St. Louis office expenses	336.06
Depreciation on office furniture	162.86
	$21,730.21

The $17,404.94 does not include $8,249.00 unpaid dues for the year, of which $3,324.50 was received in April.

I have a check in my pocket for $1,000, turned in by the Redwood association, and that was mentioned in the amounts that have been paid in since the report.

I have to submit with this the public accountants' report of the audit. The books have been audited up to the 31st of March, 1911, and I submit with this report, to be turned over to the Auditing Committee, the official audit of the public accountants. All vouchers have been canvassed, and are in the office of the treasurer to be seen by any auditing committee that may desire to examine them. I wish to now formally put into the record such figures as I have relative to the output of the various associations and the membership which they had on the 31st day of March, 1911.

Report of the Secretary

The affiliated associations represented 1,068 members, and the total productioin, using the best figures we have, which should be subject to correction on receiving the output for the year 1910, shows an output of 13,214,000,000 feet, with one organization not credited with any output at all, as we have no report whatever from the Pacific Coast Sugar & White Pine Association, and never having had a report from them, we have no means of estimating their output. Extra copies of this report may be had.

	Members.	*Output.*
Georgia-Florida Sawmill Assn. (Inc.)	75	*800,000,000
Western Pine Mfrs. Association	53	*874,000,000
North Carolina Pine Association	74	659,778,355
S. W. Washington Lbr. Mfrs. Assn.	23	*200,000,000
Michigan Hardwood Mfrs. Association	65	†350,000,000
Pacific Coast Lbr. Mfrs. Association	142	*3,000,000,000
North. Heml'k & H'rdw'd Mfrs. Association	78	§619,000,000
Northern Pine Manufacturers Assn.	49	*1,419,000,000
Southern Cypress Mfrs. Association	51	*445,000,000
Hardwood Mfrs. Assn. of the United States	253	659,000,000
Yellow Pine Manufacturers' Assn.	269	4,200,000,000

*Output for 1909.

†Estimate based on delegates appointed.

§Shipments.

Pacific Coast Sug. & W. Pine Mfrs. Assn.....	22	No report
Redwood Manufacturers' Association.....	14	500,000,000
Total	1,068	13,725,778,355

President Hines: Gentlemen, the treasurer's report will be turned over to the Auditing Committee.

Now, there is a little time available for general discussion. We will appreciate remarks of any one present, and I trust no one will consider, because you are not a formal delegate to this convention, that you are barred from the floor.

Mr. Griggs: Mr. Chairman, I would like to have you call upon Mr. Page for a short address.

President Hines: We would be very glad to hear from Mr Page, at Mr. Griggs' request, especially on the liability question.

Mr. Page: Mr. President and Gentlemen, it is very warm. While I would like to explain to the delegates here what has been done in the state of Washington to remedy the compensation evil, I cannot give any coherent idea of the bill in a five minutes' talk any more than I could give you a coherent idea of the banking system of the United States, and I do not think the delegates are in a humor to hear an hour's talk on compensation, so I cannot tell you anything about it.

Manager Bronson: If you will permit me to interrupt, I wish to announce at this time that on June 3rd the Western Economic Society will hold a conference on Canadian reciprocity. Both sides will be represented, and Robert Fullerton, of Des Moines, Iowa, will speak for the lumber trade. The morning session will be held at ten o'clock at Fullerton Hall, in the Art Institute. It may interest you to know that the Western Economic Society asked us, as lumbermen, to be represented on the negative of this question. President Taft takes the affirmative, and the farmers, the paper men and the lumbermen have each, as I understand it, been asked to furnish a speaker in the negative, so that there may be a threshing out of this question on the platform.

Report of Nominating Committee

President Hines: Gentlemen, the next thing on the program is the election of officers for the ensuing year. I would be very glad to hear the report of the chairman of the Nominating Committee, Mr. Wendling.

Mr. Wendling: Mr. President and Gentlemen: The Nominating Committee assembled last night at seven-thirty, and as chairman of the committee I beg leave to report as follows:

That we unanimously chose for your consideration and recommend to you as president for the ensuing year Mr. Everett G. Griggs, of Tacoma, Wash.; Mr. R. H. Vansant, first vice-president; Mr. J. B. Conrad, second vice-president; Mr. R. H. Downman, third vice-president; treasurer, Mr. J. A. Freeman. (Applause.)

Mr. Bloedel: Mr. Chairman, I move that nominations be closed, and that the secretary be instructed to cast the ballot of the Association for the gentlemen named by the Committee on Nominations for the respective offices therein named.

(Motion seconded by several delegates and was unanimously carried.)

Secretary Smith: The vote has been cast. (Applause.)

Chairman Hines: The Chair will appoint Mr. Wendling and Mr. Vansant a committee to escort President-elect Griggs to the Chair.

(Messrs. Vansant and Wendling then escorted President-elect Griggs to the platform.)

Mr. Wendling: Gentlemen, I presume Mr. Griggs needs no introduction to you, but we want you to know that this is the man. (Applause.)

Introducing Major E. G. Griggs

Chairman Hines: Gentlemen, it now becomes my duty to introduce to you my successor, and it is with real pleasure and satisfaction that I am able to present to you a gentleman of the highest standing in the city and state he comes from, and has been highly honored by his business associates of that city, in all lines.

He is also one of the most representative lumber manufacturers in the United States, and has received exceptional honors from his brother lumbermen in the district which he represents. He is somewhat like Mayor Harrison, of Chicago, in that respect, having been elected eight consecutive times president of the Pacific Coast Lumber Manufacturers' Association and for three years has been vice-

president of the National Lumber Manufacturers' Association.

In view of his long experience as president of one of the largest of our affiliated organizations; that he is blessed with good health, has plenty of energy, is peculiarly diplomatic, capable of harmonizing and bringing together the different affiliated interests, I feel we can be congratulated on the wise choice of our nominating committee.

Having held the office for two years during peculiar and trying times, it is with satisfaction and confidence, therefore, that I am now able to present to you Major Everett G. Griggs, as your president for the coming year and it is with great pleasure that I pass to him the gavel and duties of this office.

Response by President Griggs

President Griggs: Mr. Chairman and Gentlemen of the Convention: I hardly know how to respond. It seems to me that when I drop from this pinnacle and strike Puget sound and the tide flats, I shall want to take a sort of spiral descent such as Brookings describes, to land on my feet. The pinnacle is higher than anything I ever anticipated. The trite, callous phrases that one generally uses in acknowledging a gift of this kind—and I consider it such—hardly seem adequate to me. I feel that it is an expression of confidence in my association, more than it is in my own personality. I have been advised by some of my own delegation who are here with me, that fools rush in where angels fear to tread. I hardly know whether I belong to the one class or the other, and I do not know whether you will get a gold brick or whether you will get a man who can follow in the footsteps of my worthy predecessor.

I want to say regarding our association work, judging from the various papers that have been presented by lumbermen, that we are all of about one mind. I have noticed, in all of the lumbermen's addresses that there

is that same current of feeling which permeates the entire industry at this time, and that is rather the expression, I think, of all lumbermen. The fact that we are all working on similar lines in these various associations impresses itself upon me very strongly.

I believe that there is a great deal to be accomplished through an association such as this National association. Its conception seems to have been made by men who knew their business. I don't want any better decalogue to follow than the six principles in our by-laws and Constitution. If we accomplish that in this Association, we shall have done enough to perpetuate this industry forever. We don't want to fall away from that which means so much to the industry at large. If you will look back to the various centers, where the headquarters of the Association have been, and realize the character of men who have been connected with the Association and have developed the business interests of the country, I think you will all agree with me.

I haven't very much further to add at this time, except to say this: no one man can make an association. You all realize that this is a sort of an extension branch of our own association. It stands somewhat in the personality of Uncle Sam, reaching from the Gulf of Mexico to the north, with his left hand extended out to the Atlantic coast and with sis right hand extended out to the Pacific coast. With the experience that we have had in the west in fighting our battles, and in making our Association a success, I think I can safely say that the mailed fist will be extended to our enemies and the open palm extended to our friends. (Applause.)

Mr. Stillwell: Mr. Chairman, at this juncture in this meeting and at this time in the life of this Association, it is fitting to call attention to the fact that our first President came from the Atlantic coast, Mr. Fosburg. We now have Mr. Griggs, from the Pacific coast;

a man with whom we have worked shoulder to shoulder in the Board of Governors, and as Vice-President. We have seen him in his home, where he has conducted a successful organization; we have seen him conducting a successful business, surmounting even the mountains in getting his timber out. Summer before last he took some of us up to his logging camp and showed us what difficulties he had surmounted, and we from the Atlantic coast wish to extend to him the hand of fellowship, the hand of help, and we believe that it will be the continuous success of this Association, as in the past, and that we will maintain and keep our business on the level that it should be with such men as Mr. Griggs at the head of it. (Applause.)

President Griggs: Gentlemen, I understand from the manager that an announcement should be made as to vice-presidents from the various associations; I did not understand that we have vice-presidents, but governors.

Manager Bronson: I should not assume to criticise the constitution, but I find that it is a fact, authorized by the last annual meeting, that we should have a vice-president from each association, to be nominated by the respective associations and elected by the convention. Then each affiliated organization, in any way that it wishes, elects a chairman of its delegation, which chairman becomes thereby a member of our Board of Governors and handles all of the affairs of legislation, or politics, or of finance—whatever the association does for the ensuing year. The vice-presidencies seem to be honorary positions, but their election is, according to the constitution, the next in order on the nominations of the various organizations.

President Griggs: Gentlemen, I am not familiar with the procedure, but it seems to me we have presidents and vice-presidents enough in this organization. We should have a Board of Directors now. I would like to hear from some one more familiar with the matter.

Mr. Freeman: Mr. Chairman, I apprehend that it is not necessary for us to put any technical or strained construction on our constitution. I think what we want now is a member of the Board of Governors from each association, and that governor may be called a chairman of the delegation from that association, or what-

ever you please, but in order to accomplish the matter I move that all rules be laid aside and that we call at this time for the election of one member of the Board of Governors from each affiliated association.

(Motion seconded and duly carried.)

President Griggs: Do I hear any nominations? The secretary will call the roll of the associations.

(Secretary Smith then called the roll of the various affiliated associations, and the following nominations were made, and upon motion duly seconded and unanimously carried, the secretary cast the ballot for each of the following names as members of the Board of Governors for the ensuing term:)

Board of Governors

William Irvine.....Chippewa Falls, Wis.
Northern Pine Manufacturers' Association.

W. C. Landon.....Wausau, Wis.
Northern Hemlock & Hardwood Manufacturers' Association.

C. A. Bigelow.....Bay City, Mich.
Michigan Hardwood Manufacturers' Association.

R. M. Carrier.....Sardis, Miss.
Hardwood Manufacturers' Association of the United States.

John M. Gibbs.....Norfolk, Va.
North Carolina Pine Association, (Inc.)

F. E. Waymer.....Pauway, Fla.
Georgia-Florida Saw Mill Association (Inc.).

J. B. White.....Kansas City, Mo.
Yellow Pine Manufacturers' Association.

A. T. Gerrans.....Houma, La.
Southern Cypress Manufacturers' Association.

J. P. McGoldrick.....Spokane, Wash.
Western Pine Manufacturers' Association.

J. H. Bloedel.....Bellingham, Wash.
Pacific Coast Lumber Manufacturers' Association.

W. C. Miles.....Globe, Wash.
Southwestern Washington Lumber Manufacturers' Association.

D. E. Skinner.....San Francisco, Cal.
Redwood Manufacturers' Association.

Gejrge X. Wendling.....San Francisco, Cal.
Pacific Coast Sugar & White Pine Manufacturers' Association.

Edward Hines (*ex-officio*).....Chicago, Ill.

Response by the New President

Secretary Smith: I presume it is not necessary to announce that, under our constitution and by-laws, our retiring president, Mr. Hines, becomes ex-officio a member of the Board of Governors, without election.

President Griggs: That is so understood. I would like to have the Board meet in Club Room 6, immediately after this convention adjourns. There are several committees to appoint, and I think the Chair will have to consult with the members in order to get the proper information before making such appointment.

(Subsequently the president announced the appointment of the following committees:)

COMMITTEE ON ADVERTISING AND PUBLICITY.

A. T. Gerrans, Chairman.....Houma, La.
J. E. Rhodes.....St. Paul, Minn.
George E. W. Luehrmann.....St. Louis, Mo.

COMMITTEE ON EMPLOYERS' LIABILITY AND WORKMEN'S COMPENSATION.

Paul E. Page, Chairman.....Buckley, Wash.
A. L. Osborn.....Oshkosh, Wis.
Charles S. Keith.....Kansas City, Mo.
F. E. Waymer.....Pauway, Fla.
R. M. Carrier.....Sardis, Miss.

President Griggs: Gentlemen, that seems to include all of the printed program. Is there anything further to take up by the association at this time?

(Upon motion, duly seconded and carried, the convention was adjourned *sine die*.)

Delegate Attendance

GEORGIA-FLORIDA SAW MILL ASSOCIATION (INC.)

DELEGATES.

J. B. CONRAD, Bond Lumber Company.....Glenwood, Fla.
H. M. GRAHAM, Stuart Lumber Company.....Brinson, Ga.
WILLIAM B. STILLWELL, Southern Pine Lumber Company of Georgia .....Savannah, Ga.
F. E. WAYMER, Paul & Waymer Lumber Company....Pauway, Fla.

HARDWOOD MANUFACTURERS' ASSOCIATION OF UNITED STATES.

DELEGATES.

R. M. CARRIER, Carrier Lumber & Manufacturing Company .....Sardis, Miss.
LEWIS DOSTER, Secretary.....Cincinnati Ohio.
W. B. TOWNSEND, Little River Lumber Company..Townsend, Tenn.
R. H. VANSANT, Vansant, Kitchen Company.....Ashland, Ky.
W. A. GILCHRIST, Three States Lumber Company..Memphis, Tenn.

ALTERNATES.

W. E. DELANEY, Kentucky Lumber Company.....Cincinnati, Ohio.
W. W. DINGS, Garetson-Greason Lumber Company..St. Louis, Mo.
P. FORD, Ward Lumber Company.....Chicago, Ill.
G. E. W. LUEHRMANN, C. F. Luehrmann Hardwood Lumber Company.....St. Louis, Mo.
J. W. OAKFORD, Cherry River Lumber & Boom Company.....Scranton, Pa.
J. F. MCINTYRE, J. F. McIntyre & Sons.....Pine Bluff, Ark.
A. B. RANSOM, John B. Ransom & Company.....Nashville, Tenn.

MICHIGAN HARDWOOD MANUFACTURERS' ASSOCIATION.

DELEGATES.

J. C. KNOX, Secretary.....Cadillac, Mich.
N. M. LANGDON, Antrim Iron Company.....Mancelona, Mich.
W. L. MARTIN, Embury-Martin Lumber Company..Cheboygan, Mich.
CHARLES A. BIGELOW, Kneeland-Bigelow Company..Bay City, Mich.

ALTERNATE.

F. WARD, David Ward Estate.....Bay City, Mich.

Delegate Attendance

North Carolina Pine Association (Inc.)

Delegates.

Guy I. Buell, Montgomery Lumber Company.....Suffolk, Va.
J. T. Deal, C. & C. R. R. & Lumber Company.....Norfolk, Va.
John M. Gibbs, Fosburgh Lumber Company.....Norfolk, Va.
C. I. Millard, John L. Roper Lumber Company.....Norfolk, Va.
W. B. Roper, Secretary.....Norfolk, Va.
Ira Johnson, Greenleaf-Johnson Lumber Company...Norfolk, Va.

Northern Hemlock & Hardwood Manufacturers' Association.

Delegates.

George H. Atwood, Atwood Lumber & Manufacturing Company.....Park Falls, Wis.
George H. Chapman, Northwestern Lumber Company..Stanley, Wis.
A. R. Owen, John S. Owen Lumber Company.....Owen, Wis.
W. C. Landon, Barker & Stewart Lumber Company..Wausau, Wis.
A. L. Osborn, Medford Lumber Company.....Oshkosh, Wis.

Alternates.

W. G. Collar, W. G. Collar Lumber Company.....Merrill, Wis.
J. L. Davis, John R. Davis Lumber Company.....Phillips, Wis.
George E. Foster, Foster-Latimer Lumber Company..Mellen, Wis.
J. T. Phillips, Diamond Lumber Company.....Green Bay, Wis.
Eugene Shaw, Daniel Shaw Lumber Company....Eau Claire, Wis.
R. S. Kellogg, Secretary.....Wausau, Wis.

Northern Pine Manufacturers' Association.

Delegates.

L. K. Baker, J. S. Stearns Lumber Company.....Odanah, Wis.
C. A. Barton, Northland Pine Company.....Minneapolis, Minn.
H. S. Childs, Secretary.....Minneapolis, Minn.
Edgar Dalzell, C. A. Smith Lumber Company..Minneapolis, Minn.
William Irvine, Chippewa Lumber & Boom Company.....Chippewa Falls, Wis.
C. H. Werden, White River Lumber Company.....Mason, Wis.

Alternates.

L. S. Case, Chippewa Lumber & Boom Company.....Chippewa Falls, Wis.
H. C. Hornby, Cloquet Lumber Company.....Cloquet, Minn.
M. H. McCarthy, Standard Lumber Company.....Dubuque, Ia.
C. E. McGibbon, Northland Pine Company.....Minneapolis, Minn.
J. Neils, J. Neils Lumber Company.....Cass Lake, Minn.
Edward I. Staede, Leech Lake Lumber Company.....Minneapolis, Minn.
C. C. Uber, Bradley Company.....Tomahawk, Wis.
C. F. Wiehe, Edward Hines Lumber Company.....Chicago, Ill.

National Lumber Manufacturers' Association

pacific coast lumber manufacturers' association.

Delegates.

J. H. Bloedel, Larson Lumber Company.....Bellingham, Wash.
C. C. Bronson, Day Lumber Company.....Seattle, Wash.
E. G. Griggs, St. Paul & Tacoma Lumber Company.....Tacoma, Wash.
Thorpe Babcock, Secretary.....Seattle, Wash.
C. A. Smith, C. A. Smith Lumber Company.....Marshfield, Ore.

pacific coast sugar & white pine manufacturers' association.

Delegate.

George X. Wendling, Weed Lumber Company..San Francisco, Cal.

redwood manufacturers' association.

(Not represented.)

southern cypress manufacturers' association.

John A. Bbuce, Owl-Bayou, Cypress Company.....Strader, La.
Association.....Strader, La.
R. H. Downman, R. H. Downman.....New Orleans, La.
L. W. Gilbert, Dibert, Stark & Brown Lumber Company.....Donner, La.
E. G. Swartz, Burton-Swartz Cypress Company.....Burton, La.
George E. Watson, Secretary.....New Orleans, La.
S. M. Bloss, Lyon Cypress Lumber Company.....Garyville, La.

southwestern washington lumber manufacturers' association.

(Represented by proxy.)

western pine manufacturers' association.

Delegates.

A. W. Cooper, Secretary.....Spokane, Wash.
William Deary, Potlatch Lumber Company.....Potlatch, Ida.
J. P. McGoldrick, McGoldrick Lumber Company...Spokane, Wash.

yellow pine manufacturers' association.

Delegates.

J. L. Thompson, Thompson & Tucker Lumber Company.....Houston, Tex.
W. T. Murray, Fordyce Lumber Company.....Fordyce, Ark.
O. O. Axley, Southern Lumber Company.....Warren, Ark.
E. V. Babcock, E. V. Babcock & Company.....Pittsburg, Pa.
O. L. Benway, Natalbany Lumber Company.....Hammond, La.
W. C. Bowman, Bowman-Hicks Lumber Company.....Kansas City, Mo.

Delegate Attendance

George H. Boyd, Germain & Boyd Lumber Company....Atlanta, La.
S. J. Carpenter, Tremont Lumber Company.....Winnfield, La.
H. H. Cust, Lumber Mineral Company.....Arbo, Miss.
C. V. Edgar, Edgar Lumber Company.....Wesson, Ark.
J. A. Freeman, Freeman-Smith Lumber Company....St. Louis, Mo.
Charles S. Keith, Central Coal & Coke
Company.....Kansas City, Mo.
H. H. Foster, Wisconsin & Arkansas Lumber
Company.....Malvern, Ark.
W. D. Harrigan, Scotch Lumber Company.....Fulton, Ala.
C. D. Johnson, Frost-Johnson Lumber Company.....St. Louis, Mo.
R. M. Johnston, Sawyer & Austin Lumber
Company.....Pine Bluff, Ark.
John L. Kaul, Kaul Lumber Company.....Birmingham, Ala.
R. A. Long, Long-Bell Lumber Company.....Kansas City, Mo.
W. T. Murray, Fordyce Lumber Company.....Fordyce, Ark.
C. W. Niehuss, Edgar Lumber Company.....Wesson, Ark.
C. E. Slagle, Louisiana Central Lumber Company.....Clarks, La.
H. H. Thompson, Thompson Bros. Lumber Company..Trinity, Tex.
W. W. Warren, Louisiana Long Leaf Lumber Company..Fisher, La.
Eli Wiener, Angelina County Lumber Company.....Keltys, Tex.
Ben S. Woodhead, Beaumont Lumber Company....Beaumont, Tex.
James C. Williams, Geneva Lumber Company.....Eleanor, Fla.

Alternates.

J. F. Ball, J. F. Ball & Bro. Lumber Company.....Pollock, La.
W. N. Bemis, Ozan Lumber Company.....Prescott, Ark.
C. H. Bolinger, S. H. Bolinger & Co.....Shreveport, La.
F. G. Dickman, Finkbine Lumber Company.....Wiggins, Miss.
W. J. Foye, McShane Lumber Company.....Omaha, Neb.
T. Gunter, Glen Lumber Company.....Kansas City, Mo.
A. W. Judd, Gates Lumber Company.....Wilmar, Ark.
C. W. Jones, Fort Smith Lumber Company.....Ft. Smith, Ark.
H. R. Loranger, Genesee Lumber Company.....Genesee, La.
C. M. McDaris, Consolidated Saw Mills Company....St. Louis, Mo.
C. P. Miller, Mississippi Lumber Company.....Chicago, Ill.
C. J. Mansfield, Arkansas Lumber Company.....Warren, Ark.
F. R. Pierce, Louis Werner Saw Mill Company.....St. Louis, Mo.
W. C. Ribenack, Stout Lumber Company.....Menomonie, Wis.
H. R. Swartz, Colonial Lumber & Timber Company..St. Louis, Mo.
M. R. Smith, Caddo River Lumber Company.....Kansas City, Mo.
C. F. Thompson, Mississippi Lumber Company.....Chicago, Ill.
W. P. Weber, Powell Lumber Company.....Lake Charles, La.

Attendance

ANDERSON, W. R., Packages Publishing Company..Milwaukee, Wis.
ARTZ, J. ELAM, J. Elam Artz.....Dayton, O.
ASHBY, H. N., Sabine Lumber Company.....St. Louis, Mo.
ATWOOD, GEORGE H., Atwood Lumber & Manufacturing Company.....Park Falls, Wis.
AXLEY, O. O., Southern Lumber Company.....Warren, Ark.
BABCOCK, E. V., E. V. Babcock & Co.....Pittsburg, Pa.
BABCOCK, THORPE, Secretary Pacific Coast Lumber Manufacturers' Association.....Seattle, Wash.
BABCOCK, W. N., Del., Lack. & Western R. R. .....Chicago, Ill.
BACONE, A. E., Brown McReynolds Lumber Company..Chicago, Ill.
BAIRD, A. C., Chronister Lumber Company.....Dallas, Tex.
BAIRD, J. H., Southern Lumberman.....Nashville, Tenn.
BAKER, L. K., J. S. Stearns Lumber Company.....Odanah, Wis.
BALL, J. F., J. F. Ball & Bro. Lumber Company.....Pollock, La
BARRETT, WILLIAM E., Twin Tree Lumber Company...Chicago, Ill.
BARTON, C. A., Northland Pine Company.....Minneapolis, Minn.
BEMIS, W. N., Ozan Lumber Company.....Prescott, Ark.
BENNETT, T. I., Dibert, Stark & Brown Cypress Company, ...Kansas City, Mo.
BENWAY, O. L., Natalbany Lumber Company, Ltd...Hammond, La.
BIGELOW, CHARLES A., Kneeland-Bigelow Company..Bay City, Mich.
BLAKEMORE, LEE, Manufacturing Wood Workers Underwriters, ...Chicago, Ill.
BLODGETT, J. W., The Blodgett Company, Ltd...Grand Rapids, Mich.
BLOEDEL, J. H., Larson Lumber Company.....Bellingham, Wash.
BLOSS, S. M., Lyon Cypress Lumber Company.....Garyville, La.
BOLINGER, S. H., S. H. Bolinger & Co.....Shreveport, La.
BOURNE, C., JR., Lackawanna Line.....Memphis, Tenn.
BOWER, EDWARD, Eagle Lumber Company.....Eagle Mills, Ark.
BOWMAN, W. C., Bowman-Hicks Lumber Co.....Kansas City, Mo.
BOYD, GEORGE H., German & Boyd Lumber Company...Atlanta, La.
BOYD, JAMES, Lumber Trade Journal.....New Orleans, La.
BRATNOBER, C. P., Allen & Nelson Company....Minneapolis, Minn.
BRISTER, B. E., B. E. Brister Saw Mill Company.Bogue Chitto, Miss.
BRONSON, C. C., Day Lumber Company.....Seattle, Wash.

BRONSON, LEONARD, manager National Lumber Manufacturers' Association ..... Chicago, Ill.
BROWER, C. E., National Classification Committee... Memphis, Tenn.
BRUCE, JOHN A., Owl-Bayou Cypress Company..... Strader, La.
BUCHNER, C. A., Freeman-Smith Lumber Company.. Millville, Ark.
BUELL, GUY I., Montgomery Lumber Company..... Suffolk, Va.
BUNCH, R. L., Edward Hines Lumber Company..... Chicago, Ill.
BURGOYNE, GEORGE W., Official Reporter..... Chicago, Ill.
CAIN, E. E., King Lumber Company..... Prentice, Ala.
CALLENDER, W. F., Hart Williams Coal Company.. New Orleans, La.
CARPENTER, S. J., Tremont Lumber Company..... Winnfield. La.
CARRIER, R. M., Carrier Lumber & Mfg. Co..... Sardis, Miss.
CARSON, WILLIAM, Burlington Lumber Company.... Burlington, Ia.
CASE, L. S., Chippewa Lumber & Boom Co.... Chippewa Falls, Wis.
CHAPMAN, GEORGE H., North Western Lumber Co.... Stanley, Wis.
CHILDS, H. S., secretary Northern Pine Manufacturers' Association ..... Minneapolis, Minn.
CHIPMAN, J. B., Angelina County Lumber Company.. St. Louis, Mo.
CHRISTINE, W. T., American Lumberman..... Chicago, Ill.
CLANCY, WILLIAM, Lumbermen's Credit Association... Chicago, Ill.
CLUBINE, W. B., Iron River Lumber Company..... Iron River, Wis.
COBB, B. F., The Lumber Review..... Kansas City, Mo.
COLLAR, W. G., W. G. Collar Lumber Company..... Merrill, Wis.
CONE, ALBERT, American Lumberman..... Chicago, Ill.
CONRAD, J. B., Bond Lumber Company..... Glenwood, Fla.
COOLEDGE, E. R., Southern Lumberman..... Chicago, Ill.
COOPER, A. W., Secretary Western Pine Manufacturers' Association ..... Spokane, Wash.
CORNELIUS, L. E., Chicago Lumber & Coal Company.. St. Louis, Mo.
COVERT, REV. W. C., Forty-first St. Presbyterian Church. Chicago, Ill.
COWAN, SAM K., Southern Lumberman..... Nashville, Tenn.
CRAWFORD, C. M., Yellow Poplar Lumber Company. Coal Grove, O.
CRAWFORD, O. E., O. E. Crawford Lumber Company.. Chicago, Ill.
CROSSETT, EDWARD C., Crosett Lumber Company..... Davenport, Ia.
CROW, L. W., Mears-Slayton Lumber Company..... Chicago, Ill.
CUST, H. H., Lumber Mineral Company ..... Arbo, Miss.
DALBEY, E. H., E. H. Dalbey Lumber Company .... Chicago, Ill.
DALZELL, EDGAR, C. A. Smith Lumber Company Minneapolis, Minn.
DARLINGTION, H. B., American Lumberman ..... Chicago, Ill.
DASCOMB, GEORGE A., Walker County Lumber Co..... Chicago, Ill.
DAVIS, J. L., John R. Davis Lumber Company ..... Phillips, Wis.
DEAL, J. T., Cashie & Chowan R. R. & Lumber Co.... Norfolk, Va.
DEAN, H. G., Womock & Co., ... Chicago, Ill.

Deary, William, Potlatch Lumber Company .....Potlatch, Ida.
Delaney, W. E., Kentucky Lumber Company ...Cincinnati, Ohio.
Dickman, F. G., Finkbine Lumber Company.....Wiggin, Miss.
Dings, W. W., Garetson-Greason Lumber Company..St. Louis, Mo.
Dinkins, Lynn H., Interstate Trust Company....New Orleans, La.
Doster, Lewis, Secretary Hardwood Manufacturers' Association of the United States .....Cincinnati, Ohio.
Downman, R. H., R. H. Downman .....New Orleans, La.
Dulaney, G. W., Missouri Lumber & Land Exchange Company .....Clinton, Ia.
Edgar, C. V., Edgar Lumber Company .....Wesson, Ark.
Elmer, J. O., Secretary Gulf Coast Lumber Exporters' Association .....Mobile, Ala.
Embree, J. W., Rittenhouse & Embree Company ....Chicago, Ill.
Emerson, Harrington, The Emerson Company.....New York City
Emery, J. A., National Assn. of Manufacturers..Washington, D. C.
Epperson, U. S., Lumbermen's Underwriting Alliance.....
.....Kansas City, Mo.
Fetty, I. H., Central Coal & Coke Company ... Kansas City, Mo.
Fish, Frank F., Secretary National Hardwood Lumber Association .....Chicago, Ill.
Fleishel, M. L., Gulf Lumber Company .....Fullerton, La.
Flinn, E. G., Northwestern Retail Lumbermen's Association .....Minneapolis, Minn.
Ford, P., Ward Lumber Company .....Chicago, Ill.
Foster, E. F., Lurya Foster Lumber Company....Marquette, Mich.
Foster, George E., Foster-Latimer Lumber Company..Mellen, Wis.
Foster, H. H., Wisconsin & Arkansas Lumber Co....Malvern, Ark.
Foye, W. J., McShane Lumber Company .....Omaha, Neb.
Freeman, J. A., Freeman-Smith Lumber Company..St. Louis, Mo.
Fullerton, Robert, Chicago Lumber & Coal Co....Des Moines, Ia.
Gatewood, James E., St. Louis Lumberman ....St. Louis, Mo.
Gibbs, John M., Fosburgh Lumber Company.....Norfolk, Va.
Gibson, H. H., Hardwood Record.....Chicago, Ill.
Gilbert, L. W., Dibert, Stark & Brown Cypress Co.....Donner, Ia.
Gilchrist, W. A., Three States Lumber Company..Memphis, Tenn.
Goodrich, F. A., Bryceland Lumber Company.....St. Louis, Mo.
Graham, H. J., Manager Lackawanna Line.....Chicago, Ill.
Graham, H. M., Stuart Lumber Company.....Brinson, Ga.
Griggs E. G., St. Paul & Tacoma Lumber Company.Tacoma, Wash.
Gunter, T., Glen Lumber Company .....Kansas City, Mo.
Harrigan, W. D., The Scotch Lumber Company.....Fulton, Ala.
Harris, B. B., Traders Despatch.....Memphis, Tenn.

HENDRICKS, J. B., Lackawanna Line.....St. Louis, Mo.
HIGGINS, F. H., Drovers' Journal.....Chicago, Ill.
HINES, EDWARD, Edward Hines Lumber Company...Chicago, Ill.
HIRT, C. G., Canadian Pacific Railway.....St. Louis Mo.
HITCHCOCK A. H., The Stock List.....Chicago, Ill.
HOAK, P. E., Wheeler Lumber, Bridge & Supply Co.Des Moines, Ia.
HOLE, E. C., American Lumberman.....Chicago, Ill.
HOLLIS, W. G., Secretary Northwestern Lumbermen's Association .....Minneapolis, Minn.
HOLT, GEORGE H., Holt Lumber Company.....
.....Oconto, Wis. and Chicago, Ill.
HOOK, R. C., ...Chicago, Ill.
HORNBY, H. C., Cloquet Lumber Company.....Cloquet, Minn.
HOTCHKISS, G. W., Illinois Lumber Dealers' Association, Chicago, Ill.
HOUSTON, P. W., Edward Hines Lumber Company...Chicago, Ill.
HURST, E. J., J. J. Newman Lumber Company..Hattiesburg, Miss.
IRVINE, WM., Chippewa Lumber & Boom Co., Chippewa Falls, Wis.
JOHNSON, BOLLING ARTHUR, American Lumberman..Chicago, Ill.
JOHNSON, C. D., Frost-Johnson Lumber Company..St. Louis, Mo.
JOHNSON, IRA., Greenleaf-Johnson Lumber Company..Norfolk, Va.
JOHNSTON, R. M., Sawyer & Austin Lumber Co.....Pine Bluff, Ark.
JONES, C. W., Fort Smith Lumber Company.....Ft. Smith, Ark.
JONES, GEORGE W., Illinois Lumber Dealers' Association.Chicago, Ill.
JUDD, A. W., Gates Lumber Company.....Wilmar, Ark.
JULIER, J., Trinity County Lumber Company.....Chicago, Ill.
KAUL, JOHN L., Kaul Lumber Company.....Birmingham, Ala.
KEITH, CHARLES S., Central Coal & Coke Co.....Kansas City, Mo.
KEITH, W. C., Keith Lumber Company.....Beaumont, Tex.
KELLOGG, R. S., Secretary Northern Hemlock & Harwood Manufacturers Association .....Wausau, Wis.
KING, W. C., Virginia & Rainy Lake Company.....Chicago, Ill.
KLANN, E. H., Secretary Harwood Lumber Exchange..Chicago, Ill.
KNIGHT, H. R., National Lumber Manufacturers' Assn..Chicago, Ill.
KNOX, J. C., Secretary Michigan Hardwood Manufacturers' Association .....Cadillac, Mich.
KRAMER, C. H., C. & W. Kramer.....Richmond, Ind.
LABLANC, T. G., Lumber World.....Chicago Ill.
LANDON, W. C., Barker & Stewart Lumber Company.Wausau, Wis.
LANDRAM, A. H., National Lumber Manufacturers' Association .....Chicago, Ill.
LANGDON, N. M., Antrim Iron Company.....Mancelona, Mich.
LINDSAY, GEORGE F., Cloquet Lumber Company....Duluth, Minn.
LANE, J. L., J. L. Lane & Co.....Chicago, Ill.

Lang, Edward A., Paepcke-Leicht Lumber Company..Chicago, Ill.
Leib, C. H., Great Eastern Lumber Company.....Chicago, Ill.
Lightner, E. A., Lumber Insurers' General Agency..New York City.
Long, J. W., New York Lumber Trade Journal....New York City.
Long, R. A., Long-Bell Lumber Company.....Kansas City, Mo.
Loranger, H. R., Genesee Lumber Company.....Genesee, La.
Luehrmann, George E. W., Charles F. Luehrmann Hardwood Lumber Company.....St. Louis, Mo.
McCarthy, M. H., Standard Lumber Company.....Dubuque, Ia.
McCauley, I., John Schroeder Lumber Company....Chicago, Ill.
McDaris, C. M., Consolidated Saw Mills Company...St. Louis, Mo.
McGeay, T. J., Del., Lack. & Western R. R.....Chicago, Ill.
McGibbon, C. E., Northland Pine Company....Minneapolis, Minn.
McGoldrick, J. P., McGoldrick Lumber Company..Spokane, Wash.
McGraw, W. D., U. S. Epperson & Co.....Kansas City, Mo.
McHale, L. A., New York Lumber Trade Journal..Chicago, Ill.
McIntyre, J. F., J. F. McIntyre & Sons, Inc.....Pine Bluff, Ark.
McLachlin, J. C., Frost-Johnson Lumber Company..Chicago, Ill.
Malloch, Douglas, American Lumberman.....Chicago, Ill.
Mansfield, C. J., Arkansas Lumber Company.....Warren, Ark.
Martin, W. L., Embury-Martin Lumber Co.....Cheboygan, Mich.
Marsh, M. M., American Lumberman.....Chicago, Ill.
Matthias, W. H., Vansant, Kitchen & Co.....Chicago, Ill.
Meeker, Edward, Hardwood Record.....Chicago, Ill.
Millard, C. I., John L. Roper Lumber Company....Norfolk, Va.
Miller, C. P., Mississippi Lumber Company.....Chicago, Ill.
Miller, H. E., Fitz Hugh Luther Company.....Chicago, Ill.
Mohoney, E. R., Chicago Journal.....Chicago, Ill.
Moloney, James, Moloney Belting Company.....Chicago, Ill.
Moore, Tom A., T. A. Moore Lumber Company.....Chicago, Ill.
Murray, W. T., Fordyce Lumber Company.....Fordyce, Ark.
Musick, U. S., Louisiana Lumber Company.....St. Louis, Mo.
Myer, C. P., Kirby Lumber Company.....Houston, Tex.
Neils, J., J. Neils Lumber Company.....Cass Lake, Minn.
Nelson, C. R., Edward Hines Lumber Company,....Chicago, Ill.
Nelson, M. B., Long-Bell Lumber Company....Kansas City, Mo.
Niehuss, C. W., Edgar Lumber Company.....Wesson, Ark.
Nourse, J. A., Nourse-Taylor Lumber Company.....Chicago, Ill.
Nunnery, W. S., Lackawanna Line.....Memphis, Tenn.
Oakford, J. W., Cherry River Boom & Lumber Co...Scranton, Pa.
Oliver, M. J., Thompson & Tucker Lumber Company...Chicago, Ill.
Osborn, A. L., Medford Lumber Company.....Oshkosh, Wis.
Owen, A. R., John S. Owen Lumber Company.....Owen, Wis.

PARKER, M. F., Industrial Lumber Company.....Chicago, Ill.
PATE, D. S., D. S. Pate Lumber Company.....Chicago, Ill.
PEGLER, ARTHUR J., Chicago American.....Chicago, Ill.
PERRY, E. F., Secretary National Wholesale Lumber Dealers' Association .....New York City.
PETTIBONE, F. W., Champion Lumber Company....Orvisburg, Miss.
PHILLIPS, J. T., Diamond Lumber Company.....Green Bay, Wis.
PIERCE, F. R., Louis Werner Saw Mill Company..St. Louis, Mo.
PIKE, F. J., Eastern Railway & Lumber Company.....Chicago, Ill.
POPE, GEORGE J., Stuart Lumber Company.....Chicago, Ill.
POSSELL, F. M., W. I. McKee Lumber Company.....
RANSOM, A. B., John B. Ransom & Co.....Nashville, Tenn.
REYNOLDS, GEORGE M., Continental & Commercial National Bank .....Chicago, Ill.
RHODES, J. E., F. Weyerhaeuser.....St. Paul, Minn.
RIBENACK, W. C., The Stout Lumber Company..Menomonie, Wis.
RICHART, C. E., C. E. Richart & Co.....Bloomington, Ill.
RICHARDSON, F. L., Richardson Lumber Company....Alpena, Mich.
ROPER, W. B., Secretary North Carolina Pine Assn.....Norfolk, Va.
RYDER, W. F., King-Ryder Lumber Company.....Bon Ami, La.
SACKETT, H. S., United States Forest Service.....Chicago, Ill.
SCHENCK, DR. C. A., Biltmore Forest School.....Biltmore, N. C.
SCHWARTZ, G. W., Vandalia Railroad.....St. Louis, Mo.
SEIBEL, L. L., Ft. Smith Lumber Company.....Kansas City, Mo.
SEXTON, WILLIAM H., Corporation Counsel for Chicago..Chicago, Ill.
SHAW, EUGENE, Daniel Shaw Lumber Company..Eau Claire, Wis.
SHEPARD, F. W., Shepard Traill Company.....Minneapolis, Minn.
SLAGLE, C. E., Louisiana Central Lumber Company....Clarks, La.
SMITH, C. A., C. A. Smith Lumber & Mfg. Co.....Marshfield, Ore.
SMITH, FRANKLIN H., United States Forest Service....Chicago, Ill.
SMITH, GEORGE K., Secretary National Lumber Manufacturers' Association .....St. Louis, Mo.
SMITH, M. R., Caddo River Lumber Company....Kansas City, Mo.
SNIDER, W. E., Natalbany Lumber Company.....Rock Island, Ill.
SPINDLER, O. F., Lackawanna Line.....St. Louis, Mo.
STAEDE, EDWARD, Leech Lake Lumber Company.Minneapolis, Minn.
STARRETT, C. V., Chicago Daily News.....Chicago, Ill.
STILLWELL, WILLIAM B., Southern Pine Co. of Ga....Savannah, Ga.
SWARTZ, E. G., Burton-Swartz Cypress Company.....Burton, La.
SWARTZ, H. R., Colonial Lumber & Timber Co.....St. Louis, Mo.
SWEET, C. B., Long-Bell Lumber Company.....Kansas City, Mo.
THOMPSON, C. F., Mississippi Lumber Company.....Chicago, Ill.
THOMPSON, H. H., Thompson Bros. Lumber Company.Trinity, Tex.

Thompson, J. L., Thompson & Tucker Lumber Co...Houston, Tex.
Thompson, R. W., J. J. Newman Lumber Company....Chicago, Ill.
Thornton, E. A., E. A. Thornton Lumber Company..Chicago, Ill.
Townsend, W. B., Little River Lumber Company.Townsend, Tenn.
Uber, C. C., Bradley Company.....Tomahawk, Wis.
Vansant, R. H., Vansant, Kitchen & Co.....Ashland, Ky.
Walker, Ewing A., Missouri Lumber & Land Exchange Company.....Kansas City, Mo.
Walker, J. C., Mississippi Valley Lumberman..Minneapolis, Minn.
Ward, F. B., David Ward Estate.....Bay City, Mich.
Warren, W. W., Louisiana Long Leaf Lumber Co.....Fisher, La.
Watson, George E., Secretary Southern Cypress Manufacturers' Association .....New Orleans, La.
Waymer, F. E., Paul & Waymer Lumber Company..Pauway, Fla.
Weber, W. P., Powell Lumber Company.....Lake Charles, La.
Wendling, George X., Weed Lumber Company..San Francisco, Cal.
Werden, C. H., White River Lumber Company.....Mason, Wis.
Westcott, Charles, Hayden & Westcott Lumber Co....Chicago, Ill.
Weyerhaeuser, F. E., Weyerhaeuser & Co.....St. Paul, Minn.
Whittington, W. W., Jr., Enterprise Lumber Co...Alexandria, La.
Wiehe, C. F., Edward Hines Lumber Company.....Chicago, Ill.
Wiener, Eli, Angelina County Lumber Company.....Keltys, Tex.
Willhite, H. M., Chicago Lumber & Coal Company.St. Louis, Mo.
Williams, C. L., Architectural Record.....Chicago, Ill.
Williams, James C., Geneva Lumber Company.....Eleanor, Fla.
Williams, John E., American Lumberman.....Chicago, Ill.
Wilson, H. L., Wilson & Steele.....Terre Haute, Ind.
Wood, W. R., W. R. Wood.....Parker, S. D.
Woodhead, Ben S., Beaumont Lumber Company..Beaumont, Tex.
York, S. J., New York Central Lines.....Memphis, Tenn.
Young, J. R., U. S. Epperson & Co.....Kansas City Mo.

Entertainment

Theater Party

In compliment to the ladies and gentlemen attending the convention, by Mr. and Mrs. Edward Hines. Colonial Theater, 8:15 Thursday evening, "Madame Sherry."

For the Visiting Ladies

Mrs. Edward Hines, Hostess.

Assisted by

Mrs. J. William Embree	Mrs. D. S. Pate
Mrs. Charles F. Thompson	Mrs. George J. Pope
Mrs. John E. Burns	Mrs. Ray Weiss
Mrs. Frank J. Burns	Mrs. George J. Farnsworth

WEDNESDAY, MAY 24

12:30 p. m. Automobile tour of the North Shore boulevards and parks, starting from the Congress Hotel. Ladies will kindly assemble in the Elizabethan Room, Main Floor, at 12 o'clock.

4:30 p. m. Informal tea at the residence of Mrs. Hines, 1456 Ridge Avenue, Evanston, Ill.

THURSDAY, MAY 25

10:45 a. m. Meet in the Elizabethan Room.

11:00 a. m. Automobile tour of the West and South Side boulevards and parks, starting from the Congress Hotel.

1:00 p. m. Informal luncheon at the South Shore Country Club, returning to the hotel by 3 o'clock.

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